

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



# LEGISLATIVE HISTORY

Public Law 325--82nd Congress

Chapter 218--2nd Session

H. R. 5893

## TABLE OF CONTENTS

Digest of Public Law 325 . . . . .	1
Index and Summary of H. R. 5893 . . . . .	1



## DIGEST OF PUBLIC LAW 325

AN ACT: Amending the Servicemen's Readjustment Act making available additional funds not over \$125,000,000 to provide for additional direct loans under the Act in areas where VA-guaranteed 4-percent interest loans are not available from private sources.

### Index and Summary of H. R. 5893

January 8, 1952	Mr. Rankin introduced H. R. 5893 which was referred to Committee on Veteran's Affairs. Print of bill as introduced.
January 30, 1952	Committee on Veterans' Affairs reported with amendment, H. R. 5893. (H. Rept. 1287). Print of bill as reported.
February 18, 1952	House began debate
February 19, 1952	House concluded debate and passed H. R. 5893 without amendment.
February 20, 1952	Referred to Senate Committee on Banking and Currency. Print of bill as referred.
April 3, 1952	Committee on Banking and Currency ordered H. R. 5893 reported (but did not actually report).
April 7, 1952	Senate Committee reported H. R. 5893 with amendment. (Senate Report 1403). Print of bill as reported by the Senate.
April 9, 1952	Passed Senate without amendment
April 18, 1952	Approved: Public Law 325, 82nd Congress









82<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5893

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 1952

Mr. RANKIN (by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

## A BILL

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the first sentence of section 513 (a) of the Service-
- 4 men's Readjustment Act of 1944, as amended, is hereby
- 5 amended by striking out the sum "\$150,000,000" and in-
- 6 serting in lieu thereof the sum "\$300,000,000".

---

---

# A BILL

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

---

---

By Mr. RANKIN

---

---

JANUARY 8, 1952

Referred to the Committee on Veterans' Affairs





82D CONGRESS  
2d Session

HOUSE OF REPRESENTATIVES

REPORT  
No. 1287

## ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS

JANUARY 30, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. RANKIN, from the Committee on Veterans' Affairs, submitted the following

### REPORT

[To accompany H. R. 5893]

The Committee on Veterans' Affairs, to whom was referred the bill (H. R. 5893) to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

Section 513 of the Servicemen's Readjustment Act of 1944 is amended by adding the following subsection (d).

"(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until June 30, 1953 such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title."

### EXPLANATION OF THE BILL

The purpose of this bill is to authorize not to exceed \$125,000,000 additional for the revolving fund for the purpose of making direct loans under the Servicemen's Readjustment Act for housing at 4 percent interest rates where such loans are not available from private sources. The maximum amount of any loan that may be made is \$10,000.

The amendment adopted by the committee provides a maximum of \$125,000,000 additional for the purpose of making such direct loans. There is to be made available prior to July 1, 1952, not in excess of \$25,000,000, and for each quarter thereafter the same amount until the authority for direct loans expires—June 30, 1953. This \$25,000,000 which is made available each quarter is to be decreased, however, by such amount as is available from the sale of previously made mortgages. In other words, to the extent that the Veterans' Administration is successful in selling previously made mortgages to private lending institutions in each quarter, the requirements for the funds authorized by this bill will be proportionately reduced as to the succeeding quarter. Thus, if sufficient sales were effected during each quarter the additional funds would not be required.

During the first session of the Eighty-second Congress, this program was extended for a 2-year period until June 30, 1953, by section 614, Public Law 139.

The administrative application of the program, which it is assumed will be continued, generally is limited to nonmetropolitan areas of the country, and thus nearly all of the loans are made in rural and semirural areas.

It should be stressed that the Veterans' Administration is empowered to make direct loans only as a last resort. In practice, whenever an eligible veteran makes application for a direct loan and is found to be basically qualified, private lending agencies of that area are afforded an opportunity to make the loan if desired. It is only after private sources have refused that the Veterans' Administration makes the loan.

Section 614 of Public Law 139 of the Eighty-second Congress, in addition to extending the act for two additional years, authorized the establishment of a revolving fund. Under this arrangement, money received by the Veterans' Administration in the form of repayments can be used to make additional loans. This law also authorized the Veterans' Administration to sell previously made mortgages to private sources. The Veterans' Administration, as of December 31, 1951, was engaged in a campaign to sell approximately \$108,000,000 of such mortgage paper. If this campaign is successful, the proceeds will be available for additional loans.

At the present time, however, the original \$150,000,000 has been entirely allocated, and, thus, unless this legislation is enacted or substantial funds are received from the sale of existing mortgages, there will be insufficient funds available for making of direct loans.

The committee is of the opinion that this program has worked well, that the default rate has been extremely low, and that the entire program has been administered in a conservative manner. So long as these direct loans are made only after private lenders have been afforded an opportunity to make the loans, the committee believes that the Government is fully warranted in providing and authorizing such a program.

The report of the Veterans' Administration follows:



VETERANS' ADMINISTRATION,  
Washington 25, D. C., January 15, 1952.

HON. JOHN E. RANKIN,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington 25, D. C.*

DEAR MR. RANKIN: This will refer to your request for a report on H. R. 5893, Eighty-second Congress, a bill to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

The purpose of this measure is to amend section 513 (a) of the Servicemen's Readjustment Act of 1944, as amended, so as to increase the revolving fund for direct home and farmhouse loans to veterans from the presently authorized sum of \$150,000,000 to \$300,000,000.

Except for the title, H. R. 5893 is identical with H. R. 5884, Eighty-second Congress, a bill to amend the Servicemen's Readjustment Act of 1944, and this report will also serve as a response to your request for a report on the latter bill.

The program for direct loans was enacted by the Housing Act of 1950 (Public Law 475, 81st Cong., approved April 20, 1950) and provided the Administrator of Veterans' Affairs with temporary authority (through June 30, 1951), to make a maximum of \$150,000,000 in direct home and farmhouse loans to veterans in areas where loans from private lending sources are unobtainable at an interest rate not in excess of 4 percent per annum. This authority was extended from June 30, 1951, to June 30, 1953, by section 614 of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82d Cong., approved Sept. 1, 1951) and the direct loan fund, while not increased, was reconstituted as a revolving fund, thus permitting additional loans to be made as the fund was augmented by repayments, prepayments, and sales of mortgages to private lenders.

From the initiation of the direct-loan program in July 1950 through December 31, 1951, the Veterans' Administration had approved 19,448 direct loans with an initial principal amount of \$134.4 million. An additional \$13 million had been reserved for loans in process, bringing the total amount reserved through December 31, 1951, to \$147.4 million. The remainder of the original \$150 million authorization (\$2.6 million), plus the amount recaptured through principal repayments to date (about \$4.1 million) amounts to approximately \$6.7 million. Since applications on hand for which reservations had not been made by December 31 amounted to about \$20 million, it is evident that present funds will be exhausted shortly.

Of course under the revolving-fund feature of the law now in effect, principal recaptured from loan repayments and sale of loans to private investors will become available for the making of additional direct loans. During the past few months principal repayments have amounted to between \$100,000 and \$500,000 per month. If the \$150 million ceiling is continued, we cannot expect to recapture more than \$500,000 per month from this source.

Accordingly, the ability of the Veterans' Administration to continue making direct loans in any significant volume will depend primarily upon the amounts recaptured through the sale of direct loans to private investors. The Veterans' Administration has initiated an active program to interest private investors in the purchase of these loans. Final procedures for effecting direct-loan sales were distributed to Veterans' Administration regional offices on December 12, 1951, and a public announcement regarding the availability of such loans for purchase was made on December 20, 1951. Statistical reports now available do not furnish sufficient basis for any definite conclusion as to the degree of buyer interest which the market will exhibit.

In considering the proposal to increase the revolving fund to \$300 million, it is of basic importance to determine, to the extent foreseeable, the volume of direct loan applications by veterans in eligible areas which may be anticipated in the future. While it is impossible to make any firm estimate of the future demand for direct loans a review of the rate at which funds have been reserved since the direct loan program was initiated gives at least some clue as to the prospective demand, subject to the assumption that there will be no major expansion in the areas eligible for direct loans.

During the 11-month period from the beginning of the direct loan program to June 30, 1951, direct loans approved by the Veterans' Administration totaled over \$105 million, an average of \$9.6 million per month. During the 4 months following the extension of the program on September 1, 1951, an additional \$42

million was reserved for direct loans, an average of \$10.5 million per month. During September and October reservations averaged \$17.5 million per month, although this average was undoubtedly inflated somewhat by the reprocessing of applications which were received prior to June 30, 1951, which could not be processed for approval prior to that expiration date. However, the volume dropped sharply to \$3.6 million in November and \$3.3 million in December, as many regions approached the maximum amounts allocated to them. It would appear reasonable to assume from the foregoing that at least \$10 million per month will be needed to meet the probable demand by veterans in the rural and less populous sections of the country eligible for direct loans. With the prospect of recapturing less than \$500,000 per month from principal repayments, it appears highly doubtful whether the sale of loans to private investors will be adequate to sustain such a demand, at least in the few months immediately ahead, in view of the current state of the mortgage market.

Another factor to be considered in relation to this proposal is the outlook concerning the supply of private mortgage capital. In recent months the Veterans' Administration and many financial analysts have held the expectation that the market would improve in the reasonably near future so as to release a much greater supply of funds for mortgage lending than is now available. Some of the primary reasons for this expectation are (1) the gradual disappearance of the tremendous volume of mortgage commitments entered into by mortgage lenders in the latter part of 1950 and early 1951, (2) the marked rise in liquid savings flowing into mortgage lending institutions, and (3) an expected decline in the availability of mortgage investments because of existing mortgage credit controls and controls on the amount of materials available for building new housing. It has been felt that these primary factors and others would tend to increase the supply of money seeking outlet in mortgage investment, including VA-guaranteed loans which carry a maximum interest rate of 4 percent per annum. This included the hope that such an improvement in the mortgage money market would not only increase the supply of GI loans in areas not designated as eligible for direct loans, but would also make it easier for the Veterans' Administration to sell its direct loans which have been made in eligible areas in order to make effective the revolving principle of the present \$150 million direct loan fund.

It is now recognized that this expected trend has been halted somewhat by the uncertainty among lenders over the future structure of money yields which has been induced by the unanticipated softness recently apparent in the market demand for long-term Federal Government bonds. While it is still believed that the factors mentioned above will lead sooner or later to an improvement in the private mortgage money market, the fact remains that the availability of private mortgage capital for VA-guaranteed 4-percent loans has been greatly contracted in many communities of the United States. However, it is by no means true that the supply of private capital flowing into GI loans has virtually disappeared. Although the current monthly rate of GI home loan applications is substantially below the peak levels of 1950 when mortgage money was exceptionally easy to obtain, the Veterans' Administration is still receiving 25,000 to 30,000 GI home loan applications each month and this rate does not compare unfavorably with many past periods since the inception of the loan guaranty program. Most of the loans involved are being originated in the larger towns and urban centers and approximately one-quarter to one-third of current GI home loans are being provided by the mortgage purchase program of the Federal National Mortgage Association.

The foregoing views and comments are intended to present various considerations bearing on the question of increasing the revolving fund from \$150 million to \$300 million, in the light of the fact that the Congress has already determined that the direct-loan program should continue as a stand-by expedient for the additional temporary period ending June 30, 1953. It is pertinent also to comment briefly with respect to the relationship of the proposed additional direct-loan fund to the general problem of inflationary pressures. It may well be argued that the provision of Government funds for this purpose, at this time, is inconsistent with the objective of restraining further credit expansion, particularly with Government exhortations to private lenders to curtail credit extension in many fields. On the other hand, the additional \$150 million is a relatively small sum in terms of the total volume of mortgage credit and the increased funds would be confined to those areas where private capital is not available for VA-guaranteed 4-percent loans. It is noteworthy also that in the smaller towns and semirural communities in which this program is primarily operating the inflationary pressure upon available material and labor supply is not so pronounced.



The authorization of an additional \$150 million would doubtless result in pressure upon the Veterans' Administration to extend the scope of eligible direct-loan areas so as to include some urban and metropolitan areas not now eligible. Despite some pressure in that direction which has already occurred by reason of the generally tight mortgage situation, we have maintained the general policy of not designating the larger cities as eligible. It is believed that this policy is justified on several basic grounds. Private lenders are still making 4-percent loans available in substantial numbers, although at a reduced level from the 1950 peak rate, in most of the urban centers. The legislative background of the direct-loan program reflected a strong congressional intent to make direct-loan funds available to veterans living in smaller towns and communities where VA-guaranteed 4-percent loans have never been available in any significant quantity from private lenders. Moreover, the amount of money available in the direct-loan fund is so limited in relation to the national demand for GI loans that even were the supply of GI 4-percent loans to disappear in metropolitan areas, the resources available to the fund would not make it possible to serve the needs of veterans in the larger towns and urban centers.

This would be true even if the revolving fund were increased to the \$300 million figure. The validity of this conclusion is supported by the fact that during the years 1950 and 1951 private capital was made available to veterans for GI loans at an average rate of approximately \$200 million per month. In view of all these considerations, and in order to effectuate the underlying purposes of the direct lending program, it would appear that the Veterans' Administration should continue its present policy in the selection of eligible direct loan areas even though an additional \$150 million were added to the fund. The higher authorization would assist in meeting the expected demand for GI loans in the smaller town and semirural areas but such a sum would be totally inadequate if it had to be made available also to the metropolitan and urban centers of the country. With respect particularly to these more populated areas, it is believed that the private capital supply for GI loans will begin to improve in 1952.

Due to the urgent request of the committee for a report on this measure, there has been insufficient time in which to ascertain from the Bureau of the Budget the relationship of the proposed legislation to the program of the President.

Sincerely yours,

O. W. CLARK,  
Deputy Administrator  
(For and in the absence of the Administrator).

#### RAMSEYER RULE

In accordance with clause 2a of rule XIII of the Rules of the House of Representatives, the changes made in existing law by the bill are shown as follows (existing law proposed to be omitted is in black brackets; new matter is in italics; existing law in which no changes are proposed is shown in roman):

H. R. 5893 as introduced, section 513 (a), Public Law 346, Seventy-eighth Congress, as amended:

For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of ~~["\$150,000,000"]~~ *\$300,000,000* (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after June 30, 1953. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpanded advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

H. R. 5893, as reported, section 513, Public Law 346, Seventy-eighth Congress, as amended:

(a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums, not in excess of \$150,000,000, as the Administrator shall request from time to time except that no sums may be made available after June 30, 1951. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semiannually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance.

(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than June 30, 1952, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed and paid, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to such persons and such corporate or other agencies, including agencies of the United States, as he may designate.

(d) *For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until June 30, 1953 such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title.*

○







## Union Calendar No. 414

82D CONGRESS  
2D SESSION

# H. R. 5893

[Report No. 1287]

---

### IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 1952

Mr. RANKIN (by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs

JANUARY 30, 1952

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

---

## A BILL

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the first sentence of section 513 (a) of the Service-  
4       men's Readjustment Act of 1944, as amended, is hereby  
5       amended by striking out the sum "\$150,000,000" and in-  
6       serting in lieu thereof the sum "\$300,000,000".  
7       That section 513 of the Servicemen's Readjustment Act of  
8       1944 is amended by adding the following subsection (d):  
9       “(d) For the purposes of further augmenting the re-

1 revolving fund established in subsection (a) hereof the Secretary  
2 of the Treasury is authorized and directed between the  
3 effective date of this subsection and July 1, 1952, to make  
4 available to the Administrator such additional sums not in  
5 excess of \$25,000,000 as the Administrator may request, and  
6 is authorized and directed to advance from time to time  
7 thereafter until June 30, 1953, such additional sums as the  
8 Administrator may request, provided that the aggregate so  
9 advanced in any one quarter annual period shall not exceed  
10 the sum of \$25,000,000 less that amount which had been  
11 returned to the revolving fund during the preceding quarter  
12 annual period from the sale of loans pursuant to section  
13 512 (d) of this title. Except for the limitation on the sums  
14 authorized in subsection (a) hereof, this subsection shall be  
15 subject to the other provisions of this section and of this title."

11

---

---

## **A BILL**

---

---

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

---

---

By Mr. RANKIN

---

---

JANUARY 8, 1952

Referred to the Committee on Veterans' Affairs

JANUARY 30, 1952

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed



# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Jan. 31, 1952

For actions of Jan. 30, 1952

82nd-2nd, No. 15

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

## CONTENTS

Cotton.....11	Import controls.....1	Roads.....6
Electrification.....13	Legislative program.....3	Social security.....9
Emergency controls.....2	Nomination.....2	Soil conservation.....11
Farm program.....11	Organization, executive..7	Textiles.....5
Foreign affairs, aid..11,12	Personnel.....8	Trade, foreign.....1
Housing.....4	Purchasing.....10	Transportation.....13

**HIGHLIGHTS:** Senate recommitted import-control bill for further study. Senate Committee reported nomination of Putnam as ESA administrator. Sen. Ellender inserted his speech before National Cotton Council.

## SENATE

- 1. IMPORT CONTROLS.** Agreed, 47-39, to the Capehart motion to recommit S. 2104 (to repeal the import-control provision of the Defense Production Act) to the Banking and Currency Committee with instructions to report it back to the Senate, either favorably or unfavorably, by Mar. 3 (pp. 635-47).
- 2. NOMINATION.** The Banking and Currency Committee reported favorably the nomination of Roger L. Putnam to be Administrator of the Economic Stabilization Agency (p. 633).
- 3. LEGISLATIVE PROGRAM.** H. R. 4946, to suspend certain import duties on lead, was made the unfinished business (p. 647). This bill is to be followed by H. R. 5443, to provide for free importation of zinc, and S. 50, to grant statehood to Alaska (p. D57).

## HOUSE

- 4. HOUSING.** The Veterans' Affairs Committee reported with amendment H. R. 5893, to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944 (H. Rept. 1287) (p. 684).
- 5. TEXTILES.** Rep. Gore, Tenn., said he understood action was soon to be taken to award Government contracts for the procurement of textiles on a negotiated basis rather than to the lowest responsible bidder. He protested any change in the practice of awarding to the lowest responsible bidder. (p. 683.)
- 6. ROADS.** Received from the Commerce Department a report on the progress made in the improvement of Federal-aid highways, fiscal year 1951; to Public Works Committee (p. 684).

BILLS INTRODUCED

7. REORGANIZATION. H. R. 6343, by Rep. Hoffman, Mich., to repeal the Reorganization Act of 1949; to Expenditures in Executive Departments Committee (p. 685).
8. PERSONNEL. H. R. 6323, by Rep. Herlong, Fla., to improve the efficiency of the U. S. civil Service, and to deny benefits, under the civil service and other retirement systems, to persons convicted of certain felonies; to Ways and Means Committee (p. 684).  
H. R. 6328, by Rep. Lesinski, Mich., to amend the Classification Act of 1949, pertaining to the crafts, protective, and custodial schedule, and to place the position of char employee working part time in the appropriate grade of the crafts, protective, and custodial schedule; to Post Office and Civil Service Committee (p. 684).
9. SOCIAL SECURITY. H. R. 6330, by Rep. Perkins, Ky., to amend the Social Security Act to reduce, for purposes of old-age and survivors insurance benefits, the age requirement from age 65 to age 62; to Ways and Means Committee (p. 684).
10. PURCHASING. H. R. 6325, by Rep. Lane, Mass., to provide for the award of certain public contracts to bidders from areas of very substantial labor surplus where their bids do not exceed by more than 5 percent the most advantageous bids submitted from other areas; to Judiciary Committee (p. 684).

ITEMS IN APPENDIX

11. FARM PROGRAM. Sen. Ellender inserted his recent speech before the National Cotton Council in which he reviewed the progress of agriculture over the past several years, commended the soil conservation and price-support programs, suggested that foreign-aid be curtailed in several respects, outlined the problems facing the cotton industry, and discussed the need for increased farm production and some of the factors affecting it (pp. A515-8).
12. FOREIGN AID. Rep. Colmer, Miss., inserted a recent speech of George A. Sloan, chairman, U. S. Council of the International Chamber of Commerce, favoring the continuation and expansion of the point-4 program to provide assistance for economically underdeveloped areas of the world (pp. A520-3).
13. ST. LAWRENCE SEAWAY. Sen. Aiken inserted a Washington Post editorial favoring this project (p. A533).  
Sen. Ives inserted a New York Herald Tribune editorial questioning the statement that Canada is planning the construction of this project alone if U. S. participation is not soon authorized (pp. A535-6).  
Sen. Aiken inserted Jesse H. Jones' (former Secretary of Commerce) statement favoring this project (pp. A546-7).  
Rep. Van Zandt, Pa., inserted a Troy (N. Y.) Times-Record editorial opposing this project (p. A556).  
Extension of remarks of Rep. Rabaut, Mich., urging early hearings on this project and expressing confidence that Canada will proceed with construction if the U. S. does not participate (p. A571).

oOo

COMMITTEE HEARINGS ANNOUNCEMENTS for Jan. 31: H. Interior and Insular Affairs, general reclamation report by Interior officials; H. Select Committee to Investigate Use of Chemicals in Foods, use of stilbestrol in poultry fattening; Joint Economic Report Committee, President's economic report; S. Appropriations, Treasury-Post Office appropriations (ex.); and S. Armed Services, Preparedness Subcommittee reports.

oOo



that it distracts attention from the real problem, which is very hard to solve, and is enormously emphatic about a remedy which is already being applied.

That the problem is very hard to solve is only too evident when we look at the Middle East and North Africa. There is grave trouble in Iran, in Egypt, and in Tunisia. In none of these countries is there any immediate threat of Communist invasion. For all of them the kind of guaranty which Governor Dewey wants is now in effect. There is not the slightest doubt that the United States would react immediately if Iran were invaded. As for Egypt and Tunisia, they cannot of course be invaded at all unless a dozen other countries have already been invaded and conquered and a world war is in full blast.

Yet despite the fact that these countries are not threatened with military invasion, the western powers are gravely threatened in all of them. Until we realize fully that in the vast area which runs from Morocco to Indonesia our problems are not primarily and principally military, we shall not even begin to solve our problems. We shall go on losing the cold war, having concentrated our energy and our resources—and our brains—almost exclusively on preparing for a hot war.

#### NONUNIFORMITY OF FIRE-HOSE CONNECTIONS A DEFENSE HAZARD

(Mr. SIEMINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. SIEMINSKI addressed the House. His remarks will appear hereafter in the Appendix.]

#### SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House heretofore entered, the gentleman from Tennessee [Mr. GORE] is recognized for 10 minutes.

#### THE TEXTILE INDUSTRY OF THE SOUTH

Mr. GORE. Mr. Speaker, an action of doubtful legality is about to be taken which will result in great cost to the taxpayers of the United States and great injustice to many thousands of textile workers in several Southern States. As I understand the situation, Defense Mobilizer Wilson has prepared a memorandum or proposed order which would have the effect of channeling and awarding Government procurement contracts on a negotiated basis rather than to the lowest responsible bidder.

Should this be consummated, as is now almost the case, then instead of following the practice long established in the United States of procuring through the lowest responsible bidder, we will be back on the costly, extravagant, wasteful trail of negotiated cost-plus contracts. That would be a deplorable day—condoning unnecessary spending and rewarding inefficiency.

In the Southern States there are perhaps 250,000 people who work in the textile industry. They have a right to consideration. These are not new industries. They have grown in the Southern States, notably in the States of Tennessee, Georgia, Texas, Mississippi, and the Carolinas, from efficiency of operation. Today, they are a vital part of our southern economy. During World War II these plants were depended upon to furnish the bulk of textile production. Their record was good. Textiles, cloth-

ing, garments, and uniforms of all sorts were furnished at prices much lower than the same goods could be purchased from the factories of any other area of the country.

Now there comes this proposition to circumvent the public contracts law and channel these procurement contracts in contravention of low bids to areas on the ground that they are so-called employment distress areas. I would like to serve notice on Mr. Wilson and all those who are involved in this proposed action that should such a policy be adopted, employment distress areas would almost overnight arise in many communities of the South.

I have in my hand letters from businessmen who tell me they have submitted low bids, that they are responsible bidders, perfectly willing and able to perform the contracts and that they have demonstrated experience in such fulfillment of contracts with the Government. Despite these facts, however, the concerns would be denied procurement contracts under this proposed order. Their own employees would have to be discharged.

Mr. Speaker, such an action should not be permitted by this Congress and I shall be glad to join other Representatives not only in protesting to the executive authorities but in taking whatever legislative action is necessary to stop this practice. It would be grossly unfair, costly, and, in my opinion, illegal.

Mr. Speaker, I ask unanimous consent to include as part of my remarks a letter from H. D. Wynn, a manufacturer and outstanding businessman from Knoxville, Tenn.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. The letter reads as follows:

SOUTHERN ATHLETIC CO., INC.,  
Knoxville, Tenn., January 21, 1952.  
Congressman ALBERT GORE,  
Washington, D. C.

DEAR ALBERT: The Defense Department has recently ruled along with the Defense Mobilizer Wilson that contracts can be awarded whether they are to the low bidder or not. This whole proposition is just trying to see that the business is given to the eastern factories rather than the southern manufacturers since we have been outbidding them consistently for the last year. Regardless of the fact that it will cost the Government many, many millions of dollars they are still going to try to push this work in the East rather than the South. The low dollar doesn't matter at all. We certainly feel like that every effort should be made to see that the Government does not have to pay more for the materials than they have to. The low responsible bidder should get the business. This is the way it has always been in America and it should continue to be that way. I will appreciate you doing what you can to step in there.

Very truly yours,

BREEZY WYNN  
(H. D. "Breezy" Wynn).

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. LANE in three instances and to include extraneous matter.

Mr. SMITH of Wisconsin in four instances and include extraneous matter.

Mrs. KEE in two instances.

Mr. MCCARTHY and to include extraneous matter.

Mr. BURDICK in two instances and in one to include the testimony of a former Member of Congress.

Mr. BAKEWELL and to include an editorial from the St. Louis Globe-Democrat.

Mrs. ROGERS of Massachusetts in two instances and to include extraneous matter, one in regard to the removal of the crosses at Honolulu.

Mr. SEELY-BROWN.

Mr. RADWAN and to include an editorial.

Mr. KEATING and to include extraneous matter.

Mr. BONNER and to include an address of Hon. James E. Webb.

Mr. BOGGS of Delaware.

Mr. GRANT.

Mr. PHILBIN in four instances and to include several speeches which he delivered in his district.

Mr. LARCADE, in three instances and to include extraneous matter.

Mr. SMITH of Wisconsin in two instances.

Mr. HÉBERT and to include a series of editorials by Mr. William H. Fitzpatrick, Pulitzer prize winning editor of the New Orleans States.

Mr. BROWNSON and to include testimony he gave this morning before the Committee on Armed Services.

Mr. FURCOLO.

Mr. MULTER in four instances, in each to include extraneous matter.

Mr. McDONOUGH and to include a statement, notwithstanding it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost \$224.

Mr. DORN and to include an article.

Mr. CANNON (at the request of Mr. DORN).

Mr. DENNY and to include a statement by Mr. VAN ZANDT together with a brief newspaper editorial.

Mr. VAN ZANDT (at the request of Mr. DENNY) and to include an editorial.

Mr. HAGEN in two instances and to include newspaper articles, and in another instance to extend the remarks of Mr. PATTERSON and to include a newspaper article.

Mr. PATTERSON (at the request of Mr. HAGEN) and to include a newspaper article.

Mr. PRICE in four instances, in each to include newspaper articles.

Mr. SHAFER in four instances, in each to include extraneous matter.

Mr. ADDONIZIO and to include a resolution.

Mr. ANDERSON of California and to include a letter in connection with the death of the late Senator Shortridge.

Mr. ANDERSON of California, immediately preceding the remarks of the gentleman from California [Mr. PHILLIPS].

Mr. CURTIS of Nebraska and to include a list of names and other excerpts.

Mr. JACKSON of Washington (at the request of Mr. MITCHELL), notwithstanding



ing the fact that the matter will require 4½ pages at a cost of \$390.

Mr. MITCHELL in the body of the Record during the debate on Reorganization Plan No. 1.

Mr. DELANEY and to include an article which appeared in the Wall Street Journal.

Mr. BENDER in six instances.

Mr. BRAY and to include an editorial from the Indianapolis Star.

#### ADJOURNMENT

Mr. DOYLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House adjourned until tomorrow, Thursday January 31, 1952, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1104. A letter from the Secretary of Commerce, transmitting a draft of a bill entitled "A bill to amend the act of June 28, 1944 (ch. 294, title III, 58 Stat. 414)"; to the Committee on Interstate and Foreign Commerce.

1105. A letter from the Chairman, United States Atomic Energy Commission, transmitting the Eleventh Semiannual Report of the Atomic Energy Commission, pursuant to the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

1106. A letter from the Administrator, Veterans' Administration, transmitting a letter reporting a violation of subsection (h) of section 3679 of the Revised Statutes, pursuant to section 3679 of the Revised Statutes, subsection (i) (2); to the Committee on Appropriations.

1107. A letter from the Secretary of Commerce, transmitting a report concerning the progress made in the improvement of Federal-aid highways and other information as required for the fiscal year ended June 30, 1951, pursuant to section 10 of the act of Congress approved June 18, 1934 (48 Stat. 993); to the Committee on Public Works.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5598. A bill to authorize the Administrator of Veterans' Affairs to convey a parcel of land to the Mount Olivet Cemetery Association, Salt Lake City, Utah; without amendment (Rept. No. 1284). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5717. A bill to provide uniform rates of pension for veterans of the Indian wars; without amendment (Rept. No. 1285). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5891. A bill to amend the veterans' regulations to establish for certain persons who served in the Armed Forces a further presumption of service connection for an active psychosis; without amendment (Rept. No. 1286). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5893. A bill to make additional

funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended; with amendment (Rept. No. 1287). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5951. A bill to add certain federally owned land to the Mound City Group National Monument, in the State of Ohio, and for other purposes; without amendment (Rept. No. 1288). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 6315. A bill to establish a basic administrative workweek and pay periods of two administrative workweeks for postmasters, officers, and employees in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOGGS of Delaware:

H. R. 6316. A bill to provide for the issuance of a special postage stamp in honor of the Cooperative Weather Observers; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. R. 6317. A bill to amend section 1923 (a) of title 28, United States Code, relating to docket fees; to the Committee on the Judiciary.

By Mr. CRAWFORD:

H. R. 6318. A bill to facilitate the voluntary enlistment in the Regular Military Establishment of qualified American Samoans, and for other purposes; to the Committee on Armed Services.

By Mr. DURHAM:

H. R. 6319. A bill to amend the Army-Navy Medical Services Corps Act of 1917 (61 Stat. 734), as amended, so as to authorize the appointment of a Chief of the Medical Service Corps of the Navy, and for other purposes; to the Committee on Armed Services.

By Mr. FISHER:

H. R. 6320. A bill to exempt certain wholesale marketers of petroleum from the provisions of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. GOODWIN:

H. R. 6321. A bill to authorize promotions from apprentice to journeyman in the Government service to be made on a permanent basis, to provide credit for promotion and retention purposes for graduate apprentices, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HAYS of Ohio:

H. R. 6322. A bill to provide supplementary unemployment compensation benefits in certain cases to workers unemployed during the national emergency, and for other purposes; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 6323. A bill to improve the efficiency of the United States Civil Service; to deny benefits, under the civil service and other retirement systems, to persons convicted of certain felonies; and for other purposes; to the Committee on Ways and Means.

By Mr. HAVENNER:

H. R. 6324. A bill to authorize the Secretary of Defense to provide harbor and terminal facilities in cases where such facilities are not privately available, and for other purposes; to the Committee on Armed Services.

By Mr. LANE:

H. R. 6325. A bill to provide for the award of certain public contracts to bidders from areas of very substantial labor surplus where their bids do not exceed by more than 5 per-

cent the most advantageous bids submitted from other areas; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6326. A bill to amend subsections (c) and (d) of section 3' of the Postal Salary Act of July 6, 1945, as amended; to the Committee on Post Office and Civil Service.

H. R. 6327. A bill to protect the civil service retirement rights of hospitalized veterans in service-connected cases; to the Committee on Post Office and Civil Service.

H. R. 6328. A bill to amend the Classification Act of 1949, as amended, pertaining to the crafts, protective, and custodial schedule, and to place the position of char employee working part time in the appropriate grade of the crafts, protective, and custodial schedule; to the Committee on Post Office and Civil Service.

By Mr. NELSON:

H. R. 6329. A bill to exempt children's skis and ski poles from the manufacturers' excise tax on sporting goods; to the Committee on Ways and Means.

By Mr. PERKINS:

H. R. 6330. A bill to amend the Social Security Act to reduce, for purposes of old-age and survivors insurance benefits, the age requirement from age 65 to age 62; to the Committee on Ways and Means.

By Mr. POLK:

H. R. 6331. A bill to amend the act entitled "An act to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes"; to the Committee on Armed Services.

By Mr. ROOSEVELT:

H. R. 6332. A bill to provide supplementary unemployment compensation benefits in certain cases to workers unemployed during the national emergency, and for other purposes; to the Committee on Ways and Means.

By Mr. SIEMINSKI:

H. R. 6333. A bill granting an exemption from income tax in the case of certain pensions and annuities of policemen and firemen; to the Committee on Ways and Means.

By Mr. SMITH of Mississippi:

H. R. 6334. A bill to allow taxpayers, in computing adjusted gross income, to deduct expenses paid or incurred by them in connection with their employment on a commission basis; to the Committee on Ways and Means.

By Mr. VELDE:

H. R. 6335. A bill to provide that the Librarian of Congress shall mark all subversive matter in the Library of Congress and compile a list thereof for the guidance of other libraries in the United States; to the Committee on House Administration.

By Mr. VINSON:

H. R. 6336. A bill to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; to the Committee on Armed Services.

H. R. 6337. A bill to clarify the status of citizens or nationals of the Republic of the Philippines who are retired members of the uniformed services and who hold offices of profit or trust under the Republic of the Philippines, and for other purposes; to the Committee on Armed Services.

By Mr. WILSON of Texas:

H. R. 6338. A bill to amend paragraph (4) of section 1491 of title 28 of the United States Code with respect to stipulations in contracts with the United States as to the determination of disputed questions by Federal officials; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 6339. A bill to provide supplementary unemployment compensation benefits in







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Feb. 19, 1952

For actions of Feb. 18, 1952

82nd-2nd, No. 23

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

### CONTENTS

Appropriations.....	Foreign affairs, aid.....17	Prices, control....2,22,24
.....7,33,34,35,36	Housing.....13	Prices, farm.....21,22,24
Budgeting.....11	Information.....27	River basin development.28
Dairy industry.....23	Irrigation.....12	Small business.....7
Daylight saving time....14	Labor, farm.....10,25	Soil conservation.....32
Defense production.....3,7	Lands.....16	Territories and pos-
Electrification.....6	reclamation.....4	sessions.....1
Expenditures.....11,30,31	Livestock and meat.....22	Trade, foreign.....19,23
Farm production.....26	Military training.....9	Transportation.....6
Farm program.....21	Nomination.....2	Veterans' benefits.....13
Food control.....7,32	Personnel.....7,15,20,29	Water utilization.....8
Foreign affairs.....18	Potatoes.....24	Wheat.....5

HIGHLIGHTS: Senate debated Alaska statehood bill. Senate confirmed nomination of Arnall as OPS Director. House received President's supplemental appropriation estimates to cover pay increases. House passed bill to authorize Interior to investigate and report on water resources in Hawaii.

### SENATE

1. ALASKA STATEHOOD. Continued debate on S. 50, to grant statehood to Alaska (pp. 1084-5, 1096-1101).
2. NOMINATION. Confirmed the nomination of Ellis G. Arnall to be Director of Price Stabilization (p. 1086).
3. DEFENSE PRODUCTION. Sen. Ferguson criticized the International Materials Conference, stating that it is throwing Americans out of work (pp. 1088-92).
4. RECLAMATION. Sen. Magnuson commended the accomplishments of the reclamation program during the last 50 years (pp. 1094-6).
5. WHEAT. Sen. Carlson objected to so-called health foods as a substitute for wheat, stated that wheat is a good and important item in the diet, and inserted a resolution on this subject by a group of Kans. farm organizations (p. 1077).
6. ST. LAWRENCE WATERWAY. Sen. Wiley inserted several resolutions endorsing this proposed project (pp. 1077-8).

### HOUSE

7. APPROPRIATIONS. Received from the President a supplemental appropriation estimate for fiscal year 1952 in the amount of \$360,248,306 for the legislative and judicial branches and various agencies of the executive branch (H. Doc. 358); to Appropriations Committee (p. 1123). It is understood that this estimate is to cover costs of pay increases, and that it includes an estimate of \$9,896,000 to cover pay adjustment costs for all the agencies of the Department except SCS. The estimate of \$3,500,000 for SCS was contained in H. Doc. 348, which was received in the House Feb. 14 (see Digest 22).

- In addition to the items contained in H. Doc. 348 for this Department (see Digest 22), the following estimates are included, among others: Authority to transfer \$200,000 from the Office of Defense Mobilization to the Defense Production Administration; \$825,000 for administrative expenses and \$10,000,000 for the revolving fund of the Small Defense Plants Administration; \$4,600,000 for construction of a GSA supply and records center at Kansas City; \$75,000,000 for the Bureau of Public Roads to reimburse the States for their work on Federal-aid highways; \$5,750,000 for flood control general (emergency fund), Army Engineers; and \$2,200,000 for the Employees' compensation fund, Labor Department.
8. WATER UTILIZATION. Passed as reported H. R. 2131, to authorize the Secretary of Interior to investigate and report to the Congress on conservation, development, and utilization of the water resources of Hawaii (p. 1105).
  9. MILITARY TRAINING. The Armed Services Committee reported with amendment H. R. 5904, to provide for the administration of the National Security Training Corps (H. Rept. 1376) (p. 1124).
  10. FARM LABOR. Rep. Fisher, Tex., criticized the amendment to the Wage and Hour Law which prohibits children under 16 from working on farms during the time school is in session in the community where the work is to be performed. He said the amendment is a severe hardship on cotton growers and migrant families who earn their living by working during harvest seasons. He claimed further that the law gives the Federal Government authority to control, by indirection, the attendance of children under 16 at school during the harvest season. (PP. 1113-6).
  11. BUDGET. Rep. Tollefson, Wash., urged that Congress reduce the size of the Budget by cutting Government expenditures (p. 1103).
  12. IRRIGATION. Passed without amendment H. R. 5633, to approve a contract negotiated with the irrigation districts on the Owyhee Federal project (pp. 1106-7).
  13. VETERANS' HOUSING. Began debate on the motion by Rep. Rankin, Miss., to suspend the rules and pass H. R. 5893, to make additional funds available to the Veterans' Administration for direct home and farmhouse loans to eligible veterans under the Servicemen's Readjustment Act of 1944, as amended (pp. 1109-13).

#### BILLS INTRODUCED

14. DAYLIGHT SAVING TIME. H. R. 5665, by Rep. Harris, Ark., and S. 2667, by Sen. Clements, to authorize the Board of Commissioners of D. C. to establish daylight saving time in D. C.; to D. C. Committees (pp. 1081, 1124).
15. PERSONNEL. H. J. Res. 380, by Rep. Celler, N. Y., to provide the power of subpoena in certain investigations relating to improper and illegal conduct in the transaction of the business of the Government; to Judiciary Committee (p. 1124).  
H. R. 6668, by Rep. Merrow, N. H., to authorize promotions from apprentice to journeyman in the Government service to be made on a permanent basis, and to provide credit for promotion and retention purposes for graduate apprentices; to Post Office and Civil Service Committee (p. 1124).
16. LANDS. H. R. 6662, by Rep. Ellsworth, Oreg., relating to the administrative jurisdiction of certain public lands in Oregon; to Interior and Insular Affairs Committee (p. 1124).
17. FOREIGN AID. H. R. 6659, by Rep. Brownson, Ind., to amend the Mutual Security Act of 1951 to provide for the termination of assistance to any nation which



The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### SPECIAL ORDER GRANTED

Mr. CANFIELD asked and was given permission to address the House today for 5 minutes, following the legislative business of the day and any other special orders heretofore entered.

#### ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5893) to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 513 of the Servicemen's Readjustment Act of 1944 is amended by adding the following subsection (d):

"(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until June 30, 1953, such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title."

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi [Mr. RANKIN] is recognized for 30 minutes.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I wish to announce that upon termination of debate on this bill the question of the vote on suspending the rules and passing the bill will be postponed until tomorrow.

Mr. RANKIN. To be taken up the first thing tomorrow?

The SPEAKER. To be the unfinished business.

Mr. McCORMACK. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RANKIN. Mr. Speaker, this bill, H. R. 5893, as reported to the House,

authorizes \$125,000,000 additional for direct housing loans through the Veterans' Administration to be made available in installments of \$25,000,000 each quarter. The previous sum of \$150,000,000 has been entirely allocated by the Veterans' Administration for these \$10,000 loans which bear interest at the rate of 4 percent.

Under law approved during the first session of this Congress, the Veterans' Administration was authorized to sell mortgages held by it on loans of this type to private banks and investment groups. Today the Veterans' Administration is engaged in a campaign to sell \$108,000,000 of such mortgages. If this campaign is successful, the authorization provided in this bill will be reduced by whatever amount the Veterans' Administration recovers from the sale of such loans.

Testimony received by the subcommittee which considered this proposal indicates that the default rate on such loans is less than one-half of one percent which means that the Government will ultimately make a profit on this operation.

It should be stressed that these loans are made in nonmetropolitan areas only and that they are made by the Veterans' Administration only after every opportunity has been given the banks and other lending agencies to make the loan. The bill was reported unanimously by the committee.

I ask unanimous consent to insert at this point the history of these loans.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(The matter referred to follows:)

#### HISTORY OF DIRECT HOUSING LOANS

The authority of the Veterans' Administration to make direct housing loans where private financing was not available was first provided by an amendment to the Servicemen's Readjustment Act of 1944 as a section of a general housing bill which ultimately became Public Law 475 of the Eighty-first Congress. The text of the section applicable to the question of direct loans follows:

#### "SUPPLEMENTAL DIRECT LOANS TO VETERANS"

"SEC. 512. (a) Upon application by a veteran eligible for the benefits of this title who has not previously availed himself of his guaranty entitlement, the Administrator is authorized and directed to make, or enter into a commitment to make, the veteran a loan to finance the purchase or construction of a dwelling to be owned and occupied by him as a home, or to finance the construction or improvement of a farmhouse, if (1) the Administrator has found, after the effective date of this section, that in the area in which the dwelling or farmhouse is located or is to be constructed private capital is not available for the financing of the purchase or construction of dwellings, or the construction or improvement of farmhouses, as the case may be, by veterans under this title, and (2) the veteran shows to the satisfaction of the Administrator—

"(A) that he is a satisfactory credit risk,

"(B) that the monthly payments to be required under the proposed loan bear a proper relation to the veteran's present and anticipated income and expenses,

"(C) that he is unable to obtain from private lending sources in such area at an interest rate not in excess of 4 percent per annum a loan for such purpose for which he

is qualified under section 501 or section 502 of this title, and

"(D) that he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act, as amended, or the Housing Act of 1949.

"(b) Loans made under this section shall bear interest at the rate of 4 percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable: *Provided, That—*

"(A) the original principal amount of any such loan shall not exceed \$10,000;

"(B) the guaranty entitlement of the veteran shall be charged with the same amount that would be deducted if the loan had been guaranteed to the maxima permitted under section 500 (a) of this title;

"(C) the amount of loans made under this section shall not exceed \$150,000,000, and

"(D) the authority to make loans under this section shall expire June 30, 1951.

"(c) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction, and shall credit to the principal of the loan an amount equal to that which would have been payable under section 500 (c) of this title had the loan been made by a private institution.

"(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the purchaser entitled to an automatic guaranty under section 500 (a) of this title.

"(e) This section shall take effect 90 days after the date of enactment of the Housing Act of 1950.

"SEC. 513. (a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums, not in excess of \$150,000,000, as the Administrator shall request from time to time except that no sums may be made available after June 30, 1951. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

"(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semiannually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of



the United States as of the last day of the month preceding the advance.

"(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public-debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than June 30, 1952, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed, and paid, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to, such persons and such corporate or other agencies, including agencies of the United States, as he may designate."

Section 614 of Public Law 139 of the Eighty-second Congress, further amended the direct loan provision by extending the authority to make such loans for two additional years, or until June 30, 1953. In addition, this law provided for the creation of a revolving fund permitting repayments on loans to be used to make additional loans and also permitting the sale of previously made loans, thus creating additional funds for the original purpose of the act. Some \$92,000 in these direct loans have been sold to private banks or investment houses of which over \$310,000 additional is now pending in the Veterans' Administration. The text of section 614 of the Public Law 139 follows:

"Sec. 614. (a) Section 512 (b) of the Servicemen's Readjustment Act of 1944 is amended (1) by striking out clause (C); and (2) by striking out 'June 30, 1951' and inserting in lieu thereof 'June 30, 1953.'

"(b) Section 512 (d) of the Servicemen's Readjustment Act of 1944 is amended to read as follows:

"(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title."

"(c) The first sentence of section 513 (a) of the Servicemen's Readjustment Act of

1944 is amended to read as follows: 'For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after June 30, 1953.'

"(d) Section 513 (c) of the Servicemen's Readjustment Act of 1944 is amended by striking out 'June 30, 1952' and inserting in lieu thereof 'June 30, 1954.'

#### H. R. 5893 AS REPORTED

"That section 513 of the Servicemen's Readjustment Act of 1944 is amended by adding the following subsection (d):

"(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until June 30, 1953, such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title."

Mr. RANKIN. I now yield to the gentleman from South Carolina [Mr. DORN] such time as he may desire.

Mr. DORN. Mr. Speaker, I would like to say that the subcommittee which it was my honor to head carefully considered this bill. We studied all aspects of the situation and arrived at the conclusion that this bill is in the interest of our country and the veterans particularly at this time.

The default rate on these loans in the past has been less than one-half of 1 percent, which is much less than on loans we commonly see in the banking business and other lending institutions.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield.

Mr. RANKIN. That does not mean that the Government has even lost one-half of 1 percent; it means merely that that amount is in default and may require foreclosures, but the Government has not lost anything yet.

Mr. DORN. The gentleman is exactly correct.

Applications for these loans are coming in every day to the Veterans' Administration and the money has been exhausted. Before these loans are made the applicants are carefully investigated, and no loan is made where the veteran has not exhausted every available opportunity to get the loan elsewhere.

This bill is primarily for rural areas. The testimony shows that loans will be made available in areas less than a hundred thousand population, and in the great majority of cases less than 25,000 population. I believe it is needed at this time to supply a need in communities

where loans are not available at the proper interest rate.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield.

Mr. WIER. I have heard that comment made in the past, that these loans are for the nonmetropolitan areas. Is there some plausible reason why they are limited to nonmetropolitan areas?

Mr. DORN. Yes; for the simple reason that in the great metropolitan areas it has been found that normal lending agencies can take care of them and that the money is available at reasonable rates of interest if the applicants can show themselves worthy of the loans. In some rural areas the income from the farm may not be as high or as steady as the income of a worker in a great metropolitan area where as a rule it is steadier than it is on the farm.

I think this bill does supply a real need. I hope the House will enact this legislation to provide \$125,000,000 for additional loans. This is not going to be used until every other means has been exhausted to give the veteran the loan. The appropriations of last year have all been used and this is an urgent need.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Did I understand the gentleman to say that in the metropolitan areas there is money available at 4 percent to the veterans to secure loans?

Mr. DORN. Much more so than in the rural areas.

Mr. ROGERS of Colorado. Has the gentleman ever made a study out in the country to ascertain that? When I was home recently I found it extremely difficult to find any ex-serviceman who could secure money at 4 percent as authorized under the bills.

Mr. DORN. I believe the facts will show that it is still much more easily obtained in a large metropolitan area than in a smaller rural community.

Mr. ROGERS of Colorado. I agree with the gentleman, no doubt that is true. The only thing I challenge is the statement about the metropolitan area. In the metropolitan areas we find it very difficult to secure any money at 4 percent for the veterans, although the Government guarantees the loan. Is the committee considering anything that may deal with the metropolitan area in that regard?

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield to the gentleman from New York.

Mr. KEARNEY. I think I have run across the same set of facts that the gentleman just gave to the gentleman from South Carolina. A great many of the banks up our way do not like to be concerned or bothered with these particular loans due to the fact they figure they are not getting enough of an interest rate. I want to call the gentleman's attention to the amount asked for in this bill. As I understand it, there is a total of only \$25,000,000 for each quarter until the act expires in 1953?



Mr. DORN. That is correct.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield to the gentleman from Indiana.

Mr. ADAIR. In further reference to what the gentleman from Colorado had to say, the testimony before the subcommittee was to the effect that while these loans were primarily for rural areas, and that is the announced policy for this type of loan, yet there were two, and possibly three, areas or communities within the United States of over 100,000 population in which such loans were being made. There were two certainly, and possibly a third, in which these loans were made under rules followed by the Veterans' Administration. The statement did not include those areas.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield to the gentleman from Maine.

Mr. NELSON. As I understand the gentleman, he indicates that these loans are to be made available to buy farms?

Mr. DORN. No, just houses.

Mr. NELSON. Not confined to farms?

Mr. DORN. Homes. May I say that this is a good bill, it is worthy, and it will not cost the United States Government 1 cent because the money will be paid back. It will encourage something that is vitally needed among our returning veterans—home ownership.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DORN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker this is a powerful contribution, not only for the veterans, but toward the strengthening of our Government and our society because any time we pass legislation that enables extension of home ownership or ownership of any kind where the fee simple and title will be in possession of those who make the purchase, we are not only strengthening our Government but we are strengthening American society, because the strength of a government is dependent upon the strength of the family life of a nation. Where you find strong family life you will find a strong government; where you find weak family life you will find a weak government.

Mr. DORN. The gentleman is correct. These veterans who have returned need to be encouraged to this extent; and, furthermore, a bill of this nature will encourage our private lending agencies to be more considerate of this need among our people.

Mr. RANKIN. Mr. Speaker, I reserve the balance of my time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself such time as I may desire and will reserve the balance of the unused time.

Mr. Speaker, I heartily endorse this measure. It was a wise move when this provision was incorporated in the GI bill of rights. The boys coming back from World War II and the Korean conflict dream of homes. The boys out in the various veterans' hospitals are asking about loans to build homes. We know how difficult it is today for boys

in the small communities of less than 100,000 to secure these loans. I wish more could be done about getting the banks to make these loans in the cities. Perhaps something may be done later on in reference to that.

Mr. Speaker, this is not throwing money away, as some people would say, when legislation of this sort is passed. This money will come back again to the Treasury, and the Treasury may even make a profit from this act. This bill was reported favorably by the unanimous vote of the committee, and I cannot conceive of anyone objecting to its enactment. I would like to see the bill acted upon right now without delay. The amount asked for is not an expenditure; it is an investment in the future of our young veterans. Future generations will realize upon this investment.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. ADAIR], a very wise veteran, one who is much interested in veterans' legislation and one who has made an exhaustive study of this measure as a member of the subcommittee having it in charge.

(Mr. DORN asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Speaker, I think it may be of some interest to the House to know of some of the factors considered by the committee in determining to report out this bill. It was felt that there were two prime considerations. The first was, of course, to protect the financial integrity and the economic well-being of our Nation. The other was to take care adequately of the veterans of our wars.

As has already been pointed out, we feel from the standpoint of economy that this bill is entirely sound, because it will not only not cost the Government anything, but in the long run will bring more money into the Federal Treasury. It is a loan program and not a give-away program. At the same time it is felt that it will do the thing which has previously been mentioned here, that is, make it possible for deserving veterans to purchase homes.

Now just a few figures may be of interest in that connection. According to the testimony before the committee applications for these loans are being made at the rate of about \$10,000,000 per month. It has apparently leveled off, at least for the time being, at about that figure. You will observe that this bill makes available during the next five quarters the sum of \$25,000,000 each quarter, so that it is readily understandable that by this arrangement we are able to take care of about all of the loan applications which will be filed by the veterans.

There is another interesting fact about this matter. The terms of the first loan were to extend until June of this year. That was in the amount of \$150,000,000. As of December 31 there had been—and I am speaking now only in round numbers—about \$134,000,000 entirely allo-

cated, and approximately \$13,000,000 more tentatively allocated, meaning that there was between \$147,000,000 and \$148,000,000 of the first \$150,000,000 which had been allocated. That means that there is something over \$2,000,000 left. In the meantime about \$4,000,000 had come back; had been recaptured by means of repayment into this fund, so that there was a total of about \$6,000,000 left for the purpose of making these home loans, at the conclusion of the calendar year 1951.

I must caution the House to make a distinction here between a guaranteed loan, that is, a loan under the so-called GI Bill of Rights, whereby the loan is guaranteed, and this type of loan, which is a direct loan to veterans. The limit on each individual loan under this act continues to be \$10,000.

There is a further provision that as these funds are regarded, and properly so, as a revolving fund, as payments of principal and interest upon those loans already made are returned to the Veterans Administration, they are available for relending. Those amounts have been coming in at the approximate rate of between \$400,000 and \$500,000 per month. On the total loan amount of \$150,000,000 as now provided, the maximum return per month is anticipated to be about \$500,000, so that the House will readily see there will not be enough money available from the payments of principal and interest to carry the program forward. Of course, if we do make this additional amount available, the monthly returns will be correspondingly increased.

Finally, Mr. Speaker, I would like again to underscore this phase of the legislation. The proposed bill provides that there will be made available the sum of \$25,000,000 between now and July 1, and then the further sum of \$25,000,000 each quarter-year thereafter until June 30, 1953; in other words, the total amount that may be available will be \$125,000,000, but the \$25,000,000 each quarter is to be reduced by the amount of money that has come in as the result of the sale of mortgages by the Government to private agencies each quarter. In other words, to take an example, if in one quarter \$5,000,000 should be sold, then from the Treasury of the United States would have to come only an additional \$20,000,000. By that, I repeat, we feel we have gone far in protecting our financial integrity and our economic security.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. McCORMACK. That is where the property is sold and, I suppose, they take some kind of a mortgage, and where the mortgage is sold to a bank.

Mr. ADAIR. That is right.

Mr. McCORMACK. But, as to interest payments maintained in the Veterans' Administration, those interest payments stay in the revolving fund of that agency.

Mr. ADAIR. Yes, with the Veterans' Administration.

Mr. McCORMACK. I thank the gentleman.



Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. WIER. I would like to ask the same question I asked a few minutes ago, and pursue it further, and I do so with no intention of harpooning the bill. I shall support the suspension of the rule, and shall support the legislation. But, I am just a little bit puzzled as to what answer I have for a veteran who lives in a large metropolitan part of my district and finds himself unable to get a loan for a home at 4 percent while in the outlying parts of the district, in the rural counties, they find such loans available. What answer do I have for that man when he asks me why I supported a bill which would give a very small part of the veterans of my district access to this money at 4 percent while the man from the metropolitan area has to pay 6 percent as the gentleman from Colorado stated. What argument do I have to that veteran in Minneapolis, Minn.

Mr. ADAIR. The answer to that Mr. Speaker, I think, is that given by the gentleman from South Carolina, and that is by this amendment we do not change the announced policy of previously existing legislation. This legislation initially, if I am correctly informed, was passed as an amendment to the Servicemen's Readjustment Act of 1944. It became effective, I think, in April 1950. This, as I say, did not change the policy which was heretofore established.

Mr. WIER. By that do you mean the intent of this law is to carry on the 4 percent interest charge on veterans' loans for homes?

Mr. ADAIR. In rural areas, accordingly to the announced intent.

Mr. WIER. I am thinking about the veterans in the metropolitan areas. That is the situation which bothers me. I have 10 veterans in my district to every 1 that I have in the rural parts of my district.

Mr. ADAIR. The evidence before the committee, and I take it was the evidence before the committee which held hearings on the legislation previously was that money for the purchase of homes was more readily available in urban than in rural areas. I recognize there is much truth, however, in what the gentleman has to say.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. ROGERS of Colorado. I commend the gentleman for his explanation of the provisions of this bill, and subjects related thereto. Like the gentleman from Minnesota, I find myself in somewhat a little different position because I represent a metropolitan area. However, there are suburbs adjoining my district, where I understand this 4 percent money is available as explained by the gentleman. The query that I would like to make is whether or not your committee has to date considered legislation which may cure the situation where veterans in metropolitan areas find themselves unable to secure loans at the guaranteed rate through private financial institutions. In other words, has that been discussed in the Committee on

Veterans' Affairs, and is there any proposed legislation involving that?

Mr. ADAIR. There was discussion at one point, at the time these hearings were held before the subcommittee, but to my knowledge there is no pending legislation to change that situation.

Mr. ROGERS of Colorado. If there should develop legislation which would increase the interest rate on these guaranteed loans say from 4 percent to 5 percent, as some of the people who are financing these homes are recommending, do you think if that were presented to the House, it would result in an inequality, and does the gentleman not think that it actually would result in an inequality between the metropolitan areas and the rural areas?

Mr. ADAIR. It would seem to be so, yes.

Mr. ROGERS of Colorado. If they are unable to secure loans at 4 percent in the metropolitan areas, then we have to either extend them to the metropolitan areas or increase the interest rate, which would still leave an inequality. Yet, so far no bill has been considered by the committee to meet the problem as it deals with the metropolitan area?

Mr. ADAIR. No, sir; not to my knowledge. With regard to the matter of interest rates, I might say to the gentleman, and as a matter of general information for the Members of the House, the latest report which we have had as to the sale of these existing mortgages does not indicate they are being purchased by private investors very rapidly. About the middle of December, \$108,000,000 worth of these mortgages were made available to private purchasers by the Veterans' Administration. My information is that to this date, \$92,500 have been purchased. There are bids on something over \$300,000 beyond that. But, the gentleman will see that they are not moving very rapidly, and I am told that one reason they are not moving is because of the relatively low interest rate for such types of investment.

I should like to say in conclusion, Mr. Speaker, that we have considered this measure carefully. We believe it does the things which I said initially, and that is to take care of the veteran and at the same time protect the interests of our Government. I believe it is sound legislation, and should be passed.

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Speaker, I shall support the motion to suspend the rules and pass this bill.

This bill, when passed, will enable the great program of direct loans by the Veterans' Administration to veterans living in rural areas where private financing is not available to go forward, and will enable those veterans of World War II living in rural areas to enjoy the same benefits as have been enjoyed by those living in our cities where the United States-guaranteed loans have been made by the thousands.

#### HISTORY OF DIRECT HOME-LOAN LEGISLATION FOR VETERANS OF WORLD WAR II

Mr. Speaker, when the GI bill was enacted in 1944, it was contemplated that the liberal guaranty to be made under its terms to private lending concerns would be sufficient to induce such lending agencies to meet the home loan needs of all veterans of World War II. However, in practice, it worked out that the lending agencies made practically all loans to veterans living in cities and neglected or refused to make loans to those veterans living in rural areas. Those of us representing rural districts here sensed this inadequacy, and came to the conclusion that the only way in which the rural veteran could receive equitable treatment in the matter of obtaining a loan was to set up a system of direct loans to him by our Government. I believe it was not the desire of any of us to see the Government go into this lending field, but when it became apparent that private lending agencies would not make these loans in any substantial number, then the Congress in the Housing Act of 1950 authorized the Veterans' Administration to make direct loans to those veterans who could not obtain them from private sources, for a period of 1 year, or until June 30, 1951, and appropriated \$150,000,000 to finance this program.

As June 30, 1951, approached it was apparent that the program should be continued for a period of time sufficient to allow all veterans living in rural areas an opportunity to qualify for a loan. I had the privilege of being the author of House Resolution 3861, which passed this House on June 18, 1951, and which provided that the system of direct home loans for World War II veterans be extended for an additional 2 years, or until June 30, 1953. The exact language of this bill later became section 614 of Public Law 139 of the Eighty-second Congress.

This new law set up a revolving fund wherein repayments on direct mortgage loans and the proceeds of sales of these mortgages to private financial institutions could be used to make additional loans. The Government now owns approximately \$150,000,000 worth of these direct mortgages, and, contrary to expectations of a year ago, these mortgages cannot be sold in any substantial volume or amount. Private financial institutions say in effect that the 4 percent interest which these mortgages bear is not a sufficiently high rate of interest for them, and that, therefore, they will not buy the mortgages from the Government, and thus, in effect, the program of direct GI home and farmhouse loans will be stopped. In the meantime, a large number of loan applications are pending. We are now faced with the proposition that we have a good home loan system for rural veterans of World War II, but no additional money with which to make the system work. The will of the Congress has been thwarted.

PASSAGE OF THIS BILL IS NECESSARY TO AID VETERANS IN RURAL AREAS TO BUILD THEIR HOMES

So, as I see it, it is necessary that we pass the bill before us in order to carry



out the will of Congress that the home loan benefits of the GI bill be available to all veterans of World War II, wherever they may choose to live, whether in the large cities of New York, Chicago, Baltimore, Detroit, or Atlanta, or in the rural communities of Manchester, Sumiton, Vina, Spruce Pine, Brooksville, Hayden, Crane Hill, Holly Pond, McShan, Ethelsville, Fernbank, Crews Depot, Glen Allen, Bankston, Brilliant, Bexar, Natural Bridge, or Falls City, and a hundred other rural communities in the Seventh Congressional District which I have the honor to represent here.

**PASSAGE OF THIS BILL IS NOT A DISCRIMINATION  
AGAINST OUR CITY VETERANS**

Some of our colleagues here have inquired whether or not this bill will discriminate against veterans of their city districts. My answer to that inquiry is that it will not. This is shown by the fact that guaranteed GI loans have been made for the past 6 years or more, sometimes in the volume of \$200,000,000 a month or more. Practically all those loans were made in the more heavily populated areas. We seek by this bill to make GI loans available to those rural areas that were so long discriminated against in the matter of these home loans. This bill does not alter in any way the guaranteed-loan provisions of the GI bill. The effect of this bill, if any, on the city areas will be to encourage private lending facilities to go ahead and make more 4-percent loans, in both city and rural areas. To vote against this bill only draws the noose of higher interest rates a little tighter around the necks of both city and rural veterans.

**PASSAGE OF THIS BILL WILL NOT COST THE  
GOVERNMENT ANYTHING**

Mr. Speaker, in these days of high costs of government, brought about primarily by the ever-increasing costs of defense, I feel that the Congress should go slow on any program that will entail large new costs to be borne by the taxpayers. One of the merits of this program is that it will not cost anything. The loans made will repay themselves. The experience to date has been that we have had practically no losses whatsoever on the direct loans that have been made during the past 2 years. It is my judgment that the interest rate of 4 percent will be sufficient throughout the life of the program to pay all costs of administration.

**THE DIRECT HOME-LOAN PROGRAM STRENGTHENS  
AMERICA**

This direct home-loan program strengthens America. It strengthens the family life of America. It makes for stable homes. It spreads the benefits of our free-enterprise system, and thus makes our economic and social system stronger. It substitutes the security of home ownership for the insecurity of tenancy.

**THIS PROGRAM DOES NOT COMPETE WITH PRIVATE  
LENDING INSTITUTIONS**

Mr. Speaker, this program of direct loans for World War II veterans does not interfere or compete with private lending institutions. It operates only in a field in which private lending institu-

tions have refused to operate. It is a field in which private lenders have been encouraged to go, by a liberal system of Government guaranties. The passage of this bill will go one step further in encouraging private lenders, in that every mortgage taken by the Government by a direct loan will first be offered to private lending agencies. If they refuse to make the loan, and the Government does make it, the mortgage will again be offered to private lenders throughout its life on a cost basis. I sincerely wish it were not necessary that we pass this bill. I would like to see all these loans made by private lending agencies. But, I am more interested in seeing that our rural veterans, and our small town veterans, are given every reasonable opportunity to become homeowners. They will not have this opportunity unless we pass this bill and provide an additional \$125,000,000 of credit for them. Perhaps the passage of this bill will encourage private lenders to make loans, or to buy loans made by the Government, to the end that no further authorization will be necessary.

**HOME LOANS FOR KOREAN VETERANS**

Mr. Speaker, I feel that it is high time that we extend all Government housing benefits to the veterans of the Korean war. They are coming home now, in increasing numbers, and their needs in the field of housing should be provided for in the same manner, and to the same extent as is true for Veterans of World War II. I hope that legislation to accomplish this result will be before the House at an early date.

Mr. DONOVAN. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from New York.

Mr. DONOVAN. Assuming for example that a veteran lives in the City of New York, where you could not buy enough for a hat checkroom with \$10,000, but he wants to live out in Long Island, or up in Westchester County, or across the Hudson River in New Jersey. Although he is a veteran living in the city of New York and wants to move, does he come under this program, if he buys a home in an area outside of the large city?

Mr. ELLIOTT. I am not sure that I can answer that question, but I am under the impression that if he lives in an area that the Veterans' Administration has found does not have private lending facilities available, and builds his home in such an area, he would be entitled to a loan.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from South Carolina.

Mr. DORN. The gentleman is exactly right. If he lives in New York or Detroit, or any other large city, and he wants to buy a home out away from that city, he could do so under this bill, provided he wants to live there.

Mr. ELLIOTT. I thank the gentleman.

I yield back the remainder of my time, Mr. Speaker.

(Mr. ELLIOTT asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. I have no further requests for time.

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, I believe that this bill is directed in a manner in which it will assist many veterans throughout the entire country.

I am particularly interested in the provisions which make it possible for veterans residing in nonmetropolitan areas to receive the same financial benefits that are readily available for urban dwellers. Many rural and semirural areas do have difficulty in supplying sufficient financial aid to veterans to meet their construction demands. This direct-loan program alleviates the handicap with which they are thus confronted, and makes it possible for veterans to carry out the desired home and farm construction.

I believe this bill will aid materially in seeing that veterans in all areas are given equal financial advantages, by providing the means by which smaller communities will be able to meet their requirements. The successful operation of this program since its inception in July 1950 points out its need.

(Mr. SCUDDER asked and was given permission to revise and extend his remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I always felt that the loans should be made directly to the veterans through the Veterans' Administration. That would help the veterans in the industrial and in all areas to secure loans when the banks will not loan them.

Mr. Speaker, I have no further requests for time on this side.

Mr. RANKIN. Mr. Speaker, it was agreed that this bill would be taken up the first thing tomorrow for a final vote.

Mr. MCCORMACK. I understand that all debate is closed now?

Mr. RANKIN. Yes. All debate is closed.

Mrs. ROGERS of Massachusetts. That is correct.

The SPEAKER pro tempore (Mr. HAYS of Arkansas). The bill goes over until tomorrow as the unfinished business.

**SPECIAL ORDER**

Mr. FISHER. Mr. Speaker, I have a special order following that of the gentleman from Virginia [Mr. HARDY]. It being agreeable to him. I ask unanimous consent that I may precede him.

Mr. HARDY. That is agreeable to me, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

TESTIMONY DEMONSTRATES NEED FOR AMENDING WAGE AND HOUR LAW TO ENABLE MIGRANT WORKERS TO HELP HARVEST CROPS.

Mr. FISHER. Mr. Speaker, when the wage and hour law was changed 2 years ago, an amendment was added in the Senate which has been interpreted to mean that farmers can no longer hire



children under 16 years of age to work in agriculture during the time a school is in session in the community where the work is being done. I take the position that control over school attendance is within the exclusive jurisdiction of the States.

That amendment and the interpretation is working a severe hardship on cotton growers and on migrant families who make their living principally by picking cotton during the harvest season which occurs during the autumn. It is having the effect of throwing a lot of good people on relief rolls and of curtailing the harvesting of cotton and of other agricultural products. The Senate amendment should be repealed.

SHOULD FEDERAL GOVERNMENT CONTROL LOCAL SCHOOL ATTENDANCE?

An issue that is even more fundamental is involved in this enlargement of Federal power. It has to do with a flaunting of the Constitution, a callous disregard for the separation between Federal and State responsibility with respect to local school attendance. The Constitution leaves control over schools and school attendance to the States and to local governments. But the Federal Government now enters the picture and undertakes, by indirection, to force the attendance in schools of all children under 16 years of age during the autumn harvest seasons.

Mr. Speaker, the Labor Department—which I understand sponsored the Senate amendment—has contended that the amendment was a good thing because it would have the effect of getting certain children to attend school who otherwise might not attend. The Secretary of Labor issued an official bulletin, entitled "Help Get Children Into School, and Out of Farm Jobs During School Hours." Vast numbers of these were scattered over the Nation. The bulletin deals with the Senate amendment to which I have referred.

That brings into focus the fundamental question involved here. Is it, under our Constitution, the business or the jurisdiction of the Federal Government, even by indirection, to determine when children should or should not attend school and for how long? Or is that a right and a responsibility reserved to the States?

Mr. Speaker, if there is anything sacred that is left to the States to handle without interference of Federal power and encroachment, it should be control over the education of the youth. Yet the busy bodies in the various Federal bureaus are forever probing for an opening whereby even the education of little Johnnie in the remotest rural school will be under the paternal eye of a Washington bureaucrat. And the Labor Department has by the Senate amendment made a beachhead landing in its attempt to pierce the constitutional limitations upon its power.

Let us examine the issue a little further. In Texas we have a compulsory school-attendance law, as I assume is the case in all the States. I am sure we all believe in compulsory school attendance. Each child must attend for a minimum of 120 days each year. But the State

law permits local school boards, in their discretion, to give permission for a student to defer the beginning of the school year so long as the minimum compulsory attendance is met. In other words, a board may permit a child to begin school on November or December, for example, instead of in September when the school year begins. In practice, the vast majority of these migrant children attend school at least 9 months each year.

That policy over school attendance was made, Mr. Speaker, by the legislature of a sovereign State in accordance with its constitutional authority and responsibility. But the Senate amendment would, in effect, supersede and override that law and that policy. Now, in the face of that policy by the State, the Labor Department, acting under the Senate amendment, in effect, repeals the right of the local school board to defer the beginning of the school attendance during a school year for a student.

Now, I can understand that the Labor Department here in Washington may disagree with the wisdom of the Texas law that requires a minimum of only 6 months of compulsory school attendance. It may think the local school boards should not have authority to defer the beginning of a school year for a student. It may even think the number of hours a student attends school each day is too many or too few.

But, Mr. Speaker, is that, under our system of government, the business of the Federal Government or of a government bureau? Where are you going to draw the line? Where and at what point is this encroachment upon local control over the education of American youth going to end? Or is it going to end?

Why have an army of Federal employees running around over the country enforcing local school attendance? The Labor Department bulletin, to which I have previously referred, makes the Department's objective clear, and refers to farm employers being responsible for observing the new law "which reenforce and supplement State child-labor and school-attendance laws."

Actually, the primary objective is made clear—that of enforcing school attendance laws, because the Federal law does not prohibit children from working on a farm unless it is done where a local school happens to be in session. So there can be no question but that the whole scheme and purpose of the Senate amendment, offered by former Senator Pepper and sponsored by the Labor Department, was to turn more Federal employees loose over the country to help enforce school attendance. And that has been done despite the clear intention of the Constitution to reserve the States the matter of control of the education of their youth.

This is a good example of Federal encroachment, of pyramiding powers, of the extension of control over activities that are local in character and which can and should be handled on a local level.

Mr. Speaker, do we want to turn over to the Labor Department in Washington, by gradual extension of power, the

obligation of the States to control, by indirection or otherwise, the length of attendance and the particular months in school, of all children in this country under the age of 16 years? That is the issue involved in this legislation.

With that in mind, I introduced a bill nearly a year ago to correct the mistake that was made by the Senate amendment. Other Members introduced bills on the same subject. Hearings were held, but no committee action has as yet been taken.

To illustrate the soundness and urgency of the measure which I introduced, I submit pertinent excerpts from testimony which the committee heard on the subject:

Mr. FISHER. Mr. Chairman, may I make a brief statement?

The CHAIRMAN. Yes.

Mr. FISHER. I think the picture giving the problem of harvesting the cotton crops in West Texas by migratory laborers has been well developed by the witnesses who have testified. What has happened in the past has been that these migratory Latin-American families have been able to travel to the cotton fields to the north in the fall of the year, gather cotton during the harvest season and then return south to their homes in time to get in the required school attendance under the laws of Texas. The law there requires attendance in school for a minimum of 120 days each year, and it is a criminal offense for parents not to comply with that law by sending their children to school for the required time.

What they are able to do is come up during the rush harvest season, which will not wait. Cotton has to be harvested during the month or two of the peak, and then the pickers go back home from where they come, in order to finish out the school year. They can do that even by beginning in December and finishing by June, and still meet the State requirements on minimum attendance. They have been getting their schooling in.

What has happened is that this law, which is having such an adverse effect upon the Latin-American families and upon the harvest of the crops has been to require that while they are picking cotton there, they have to go to school. It is not economic for many of those families to stay in the fields and operate unless the children also pick. Some of them could attend school, perhaps, where there are large families, but where there is just the father and the mother, with five or six or seven or eight children, who would be affected, they cannot very well afford to stay up there and have only two of them pick.

Mr. WIER. Do you mean to say by that the father and mother, unless—I do not like to use the word "exploited," but unless they use these children in the cotton fields they cannot exist? Is that what you mean to say?

Mr. FISHER. Some of them can. Of course, some of them can, but many of them find it more economic to go back home and struggle along and get on relief and make out.

The whole economy is geared to a system which has grown up through the years whereby these migratory families are able to meet the school requirements and go out in the early fall, at the beginning of the normal school year, and make a considerable amount of money, as has been very well developed here. Then they are able to go back and buy food and clothing. Many of them go to college and the children can get in their required schooling.

Mr. WIER. That is just what I wanted to know.







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued Feb. 20, 1952.  
For actions of Feb. 19, 1952  
62nd-2nd, No. 24

### CONTENTS

Auditing.....20	Foreign affairs, aid.....11	Prices, support.....30
Budget.....6	Forests and forestry.....	Roads.....27
Committees.....26	.....14, 21, 24, 31	Rubber.....32
Daylight saving time...9, 23	Housing loans.....15, 34	Territories and
Electrification.....36	Labor, farm.....12	possessions.....1
Emergency powers.....2	Military training.....10	Trade, foreign.....29
Exhibition.....16	Minerals.....18, 21	Transportation.....36
Expenditures.....4, 6, 28	Nominations.....8	Veterans' benefits...15, 34
Flood control.....19	Organization, executive.7, 35	Water utilization.....
Foreign affairs.....17	Personnel.....25	.....3, 13, 22, 33
	Prices, control.....5	

**HIGHLIGHTS:** Senate debated Alaska statehood bill. Both Houses received President's recommendation for continuation of certain emergency powers beyond Japanese treaty date. Senate received Byrd Committee report on grants-in-aid to States. Sen. Byrd submitted proposed substitute for President's Budget. House committee reported bill to assist in preventing entry of wetbacks. House committee ordered water-research bill reported.

### SENATE

1. **ALASKA STATEHOOD.** Continued debate on S. 50, to grant statehood to Alaska (pp. 1135-60).
2. **EMERGENCY POWERS.** Both Houses received the President's message transmitting a proposed "Emergency Powers Continuation Act" to continue various authorities which, under existing law, would expire with the end of the state of war with Japan; to Judiciary Committee (H. Doc. 368)(pp. 1150, 1187). Two of these items provide veterans' preference on farm-tenant loans and farm-housing loans.
3. **WATER COMPACT.** The Interior and Insular Affairs Committee reported with amendments S. 1798, granting the consent of Congress to a compact entered into by Okla.; Tex.; and N. Mex. relating to Canadian River waters (S. Rept. 1192)(p. 1128).
4. **EXPENDITURES.** Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal grants-in-aid to States; to Appropriations Committee (S. Doc. 101)(p. 1128).
5. **PRICE CONTROL.** Sens. Bridges and Ferguson criticized OPS for hiring an information man to publicize the services of the agency, etc. (pp. 1129-30).
6. **BUDGET.** Sen. Byrd inserted his proposed substitute for the President's 1953 Budget. His alternate would reduce "Agriculture and agricultural resources" from \$1.5 billion to \$1.2 billion. (pp. 1131-4.)
7. **REORGANIZATION.** Sen. Smith, H. J., inserted Herbert Hoover's speech before the 2nd conference of the Citizens Committee for the Hoover Report, together with a background statement (pp. 1134-5).
8. **NOMINATIONS.** The Banking and Currency Committee reported favorably the nomination

of Harry A. McDonald to be RFC Administrator (p. 1164).

9. DAYLIGHT-SAVING TIME. The D. C. Committee ordered reported, but did not actually report, S. 2667, to authorize daylight-saving time in D. C. (p. D110).
10. MILITARY TRAINING. Sen. Langer inserted a telegram from Math Dahl, Commissioner of Agriculture and Labor for N. Dak., opposing military training (p. 1129).
11. FOREIGN AID. Sen. Hickenlooper inserted a Collier's magazine editorial opposing further aid to Europe until it does more to protect itself (pp. 1130-1).

#### HOUSE

12. FARM LABOR. The Judiciary Committee reported without amendment S. 1851, to assist in preventing aliens from entering or remaining in the U. S. illegally (H. Rept. 1377) (p. 1188).
13. WATER UTILIZATION. The Interior and Insular Affairs Committee ordered reported H. R. 5735, to provide for research in methods for the economical production of water suitable for agricultural, industrial, and other uses, from sea or other saline waters (p. D113); and H. R. 5368, amended, authorizing construction and maintenance of certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif. (p. D113).  
The Interior and Insular Affairs Committee reported with amendment H. R. 2470, granting the consent of Congress to a compact among Idaho, Mont., Nev., Oreg., Utah, Wash., and Wyo. for use of the waters of the Columbia River and its tributaries (H. Rept. 1380) (p. 1188).
14. FORESTS. The Judiciary Committee ordered reported H. R. 5790, amended, to prohibit the unauthorized use of the name or character "Smokey Bear" (p. D113).
15. VETERANS' HOUSING. Passed, 341-0, without amendment H. R. 5893, to make additional funds available to the Veterans' Administration for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended (pp. 1165-6).
16. EXHIBITION. The Foreign Affairs Committee reported with amendment H. J. Res. 108, providing for recognition and endorsement of the International Trade Fair and Inter-American Cultural and Trade Center in New Orleans, La (H. Rept. 1379) (p. 1188).
17. FOREIGN AFFAIRS. The Foreign Affairs Committee ordered adversely reported H. Res. 514, to direct the Secretary of State to transmit to the House information relating to any agreements made by the President and the Prime Minister of Great Britain during their recent conversations (p. D112).
18. MINERALS. The Interior and Insular Affairs Committee ordered reported H. R. 4752, amending provisions of the mineral leasing laws for the second and third lease years when a valuable deposit of oil or gas is not discovered on the land during such period (p. D112).
19. FLOOD CONTROL. The Interior and Insular Affairs Committee ordered reported H. R. 4801 and H. R. 5071, to enable the Hawaiian Legislature to authorize the city and county of Honolulu and the county of Maui to issue certain bonds for flood control purposes (pp. D112-3).



20. AUDIT REPORTS. Received from the GAO the audit reports on Federal Housing Administration (H. Doc. 366) and RFC (H. Doc. 367), for fiscal year 1951 (p. 1187).

BILLS INTRODUCED

21. MINERALS. H. R. 6700, by Rep. Granger, Utah, to authorize the Secretary of Interior to permit the prospecting, development, mining, removal, and utilization of the mineral resources of national-forest lands or lands administered for national-forest purposes or in connection with national-forest programs not subject to the operation of the general mining laws or the Mineral Leasing Act, as amended, the Mineral Leasing Act for Acquired Lands, or for the development of which no other statutory authority exists; to Interior and Insular Affairs Committee (p. 1188).
22. WATER UTILIZATION. H. R. 6704, by Rep. Phillips, Calif., to provide for research into and demonstration of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to Interior and Insular Affairs Committee (p. 1188).
23. DAYLIGHT SAVING TIME. H. R. 6701, by Mr. Klein, N. Y., to authorize the Board of Commissioners of D. C. to establish daylight saving time in the District; to D. C. Committee (p. 1188).
24. FORESTS. S. 2687, by Sen. Cordon, to prevent Federal dam and reservoir projects from interfering with sustained yield timber operations; to Public Works Committee (p. 1128).
25. PERSONNEL. S. 2679, by Sen. Johnston, to amend the Classification Act of 1949, as amended, pertaining to the crafts, protective, and custodial schedule, and to place the position of char employee working part time in the appropriate grade of the schedule; to Post Office and Civil Service Committee (p. 1128).  
H. R. 6690, by Rep. Anfuso, N. Y., to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment; to Post Office and Civil Service Committee (p. 1188).
26. COMMITTEE. S. Res. 280, by Sen. McClellan (for himself and Sens. Hoey, O'Connor, Humphrey, Monroney, Underwood, Moody, McCarthy, Mundt, Smith (Maine), Schoeppel, Dworshak, and Nixon), to designate the Committee on Expenditures in the Executive Departments as the Committee on Government Operations; to Rules and Administration Committee (p. 1128).
27. ROADS. H. R. 6697, by Rep. Davis, Tenn., to amend the laws relating to the construction of Federal-aid highways to provide for equality of treatment of railroads and other public utilities with respect to the cost of relocation of utility facilities necessitated by the construction of such highways; to Public Works Committee (p. 1188).
28. EXPENDITURES. H. J. Res. 383, by Rep. Kersten, Wis., to safeguard the economic stability of the U. S. by imposing limitations on grants of new obligational authority for, and on expenditures during, the fiscal year 1953; to Expenditures in Executive Departments Committee (p. 1188).
29. TARIFF ACT. H. R. 6692, by Rep. Berry, S. Dak., to amend section 303 of the Tariff Act of 1930; to Ways and Means Committee (p. 1188).  
H. R. 6699, by Rep. Dingell, Mich., to amend paragraph 1774 section 201,

title II, of the Tariff Act of 1930; to Ways and Means Committee (p. 1188).

30. PRICE SUPPORTS. H. R. 6582 (see Digest 22) would amend the Agricultural Act of 1949 to provide that if producers have not disapproved marketing quotas, basic commodities will be supported at 90% of parity, and at 50% if marketing quotas have been disapproved (except for tobacco which would receive no support if quotas were disapproved). Price support for corn to cooperators outside the commercial areas would be 75% of the level to cooperators in the commercial area, and price support for noncooperators on all basics would be determined by the Secretary.
31. FOREST SERVICE. H. R. 6603 (see Digest 22) would amend the act to facilitate and simplify the work of the Forest Service by providing for a Forest and Range Research National Advisory Committee, which may include representatives from public and private agencies, organizations, or institutions, or others; and by authorizing the Secretary to require that satisfactory cooperative arrangements be made with respect to any proposed research activity as a prerequisite to the undertaking of such activity by the Forest Service.

#### ITEMS IN APPENDIX

32. GUAYULE RUBBER. Rep. Anderson, Calif., inserted a Department of Agriculture report summarizing the results of road tests on heavy-duty truck tires using drossinated guayule rubber in comparison with hevea (planatation) rubber. The report also contains a table of the road-test results, which show that the guayule tires were equal to the Hevea tires in service life. (P. A992)
33. WATER RESOURCES. Rep. Dolliver, Iowa, inserted an article by the Iowa Development Commission commenting on the report of the President's Water Resources Policy Commission and stating that the <sup>Iowa</sup> Commission is not in sympathy with the proposal for Federal control of river basins with only State advisory representation (p. A996).
34. VETERANS' HOUSING. Extension of remarks of Rep. Evins, Tenn., and Rep. Wolverton, N. J., favoring H. R. 5893, to provide an additional \$125 million for direct loans by VA to eligible veterans for the purchase of homes (including farmhouses) in areas where private capital is not available at 4% (pp. A999, and A 1007-8).
35. REORGANIZATION. Sen. Douglas inserted Sen. Benton's recent speech before the Citizens Committee for the Hoover Report commending the efforts of the committee in spurring reforms in the Federal government, and stating that the responsibility for waste and extravagance in Government rests more with Congress than the executive branch (pp. A985-6).
36. ST. LAWRENCE SEAWAY. Rep. Zan Vandt, Pa., inserted an Albany (N. Y.) Knickerbocker-News editorial stating that Canada cannot build the seaway without U. S. participation (p. A1002).

oOo

COMMITTEE HEARINGS ANNOUNCEMENTS for Feb. 20: S. Agriculture, calendar, including forest rights-of-way (Dean and Sieker, FS, to testify) (ex.); S. Appropriations, various appropriations subcommittees (ex.); S. Expenditures, S. 1149, reorganization of USDA (ex.); S. and H. Public Works, Federal-aid road bills; H. Rules, UMT and wetback-entry bills; S. Judiciary, judicial review of Government contracts; & S. Armed Services, UMT bill (ex.).

- oOo -



# House of Representatives

TUESDAY, FEBRUARY 19, 1952

The House met at 12 o'clock noon.  
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:  
Almighty God, whose grace and goodness hallow all our days, we pray that Thou wilt bless the Members of this legislative body as they again come to the sacrament of public service.

Give us the assurance of Thy sustaining and abiding presence as we face tasks which we know are far beyond finite wisdom and strength.

Grant that we may have the confidence that Thy kingdom is coming and that all things are working for good to those who love Thee.

Hear us in Christ's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Mississippi to suspend the rules and pass the bill (H. R. 5893) to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

The question is: Will the House suspend the rules and pass the bill as amended?

Mr. RANKIN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken; and the Speaker announced that in the opinion of the Chair two-thirds of the Members present had voted in favor thereof.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The Clerk called the roll and there were—yeas 341, nays 0, not voting 90, as follows:

[Roll No. 6]

YEAS—341

Aandahl	Aspinall	Bender
Abernethy	Auchincloss	Bennett, Fla.
Adair	Ayres	Bentsen
Albert	Bailey	Berry
Allen, Ill.	Baker	Betts
Allen, La.	Barden	Bishop
Andersen	Baring	Blatnik
H. Carl	Barrett	Boggs, Del.
Anderson, Calif.	Bates, Ky.	Bolling
Andresen	Bates, Mass.	Bolton
August H.	Battle-	Bonner
Andrews	Beall	Bosone
Anfuso	Beamer	Bow
Angell	Beckworth	Boykin
Arends	Belcher	Bramblett

Brehm	Gwinn	Morgan
Brown, Ga.	Hagen	Morris
Brown, Ohio	Hale	Morton
Brownson	Hall,	Mumma
Bryson	Edwin Arthur	Murdock
Buckley	Hand	Murray, Tenn.
Budge	Hardy	Nelson
Buffett	Harris	Nicholson
Burdick	Harrison, Nebr.	Norrell
Burleson	Harrison, Va.	O'Brien, Ill.
Burnside	Harrison, Wyo.	O'Brien, Mich.
Burton	Harvey	O'Konski
Busbey	Havener	O'Neill
Butler	Hays, Ohio	Osmer
Canfield	Heller	Ostertag
Canahan	Herlong	O'Toole
Carrigg	Herter	Patman
Case	Heseltun	Patten
Celler	Hill	Patterson
Chatham	Hillings	Perkins
Chelf	Hinsshaw	Philbin
Chiperfield	Hoever	Phillips
Chudoff	Hoffman, Ill.	Pickett
Church	Hoffman, Mich.	Poage
Clevenger	Holifield	Polk
Cole, N. Y.	Holmes	Poulson
Cooley	Hope	Powell
Cooper	Howell	Preston
Cotton	Hull	Price
Coudert	Hunter	Priest
Cox	Ikard	Prouty
Crawford	Irving	Rabaut
Crosser	Jackson, Calif.	Radwan
Crumpacker	James	Rains
Cunningham	Javits	Ramsay
Curtis, Nebr.	Jenison	Rankin
Dague	Jenkins	Reams
Davis, Ga.	Jensen	Redden
Davis, Tenn.	Johnson	Reece, Tenn.
Davis, Wis.	Jonas	Reed, Ill.
Dawson	Jones, Ala.	Reed, N. Y.
DeGraffenried	Jones,	Rhodes
Dempsey	Hamilton C.	Ribicoff
Denny	Jones,	Richards
Denton	Woodrow W.	Riehlman
Devereux	Judd	Riley
D'Ewart	Karsten, Mo.	Roberts
Dingell	Kearney	Robeson
Dollinger	Kearns	Rogers, Colo.
Dolliver	Keating	Rogers, Mass.
Dondero	Kee	Rogers, Tex.
Donohue	Kelley, Pa.	Rooney
Donovan	Kelly, N. Y.	Roosevelt
Dorn	Keogh	Sadiak
Doughton	Kerr	St. George
Doyle	Kersten, Wis.	Sasscer
Durham	Kilburn	Saylor
Eaton	King, Pa.	Schenck
Eberhart	Kirwan	Schwabe
Elliott	Klein	Scott, Hardie
Ellsworth	Lanham	Scrivner
Elston	Lantaff	Scudder
Engle	LeCompte	Secrest
Evins	Lind	Seely-Brown
Fallon	Lovre	Shafer
Feighan	Lucas	Sheehan
Fenton	Lyle	Shelley
Fine	McConnell	Sleminski
Flood	McCormack	Sikes
Fogarty	McCulloch	Simpson, Ill.
Ford	McDonough	Simpson, Pa.
Forrester	McGrath	Smith, Kans.
Frazier	McGregor	Smith, Miss.
Fugate	McIntire	Smith, Va.
Furcolo	Machrowicz	Spence
Gamble	Mack, Ill.	Springer
Garmatz	Mack, Wash.	Staggers
Gary	Madden	Stanley
Gathings	Magee	Steed
George	Mahon	Stigler
Golden	Mansfield	Stockman
Goodwin	Marshall	Taber
Gordon	Martin, Iowa	Tackett
Graham	Martin, Mass.	Talle
Granahan	Meador	Teague
Granger	Morrow	Thomas
Grant	Miller, Calif.	Thompson,
Green	Miller, Md.	Mich.
Greenwood	Miller, Nebr.	Thompson, Tex.
Gregory	Miller, N. Y.	Thornberry
Gross	Mills	Tollefson

Trimble	Whitten	Withrow
Vall	Wickersham	Wolcott
Van Pelt	Widnall	Wolverton
Van Zandt	Wier	Wood, Ga.
Vinson	Wigglesworth	Wood, Idaho
Vorys	Williams, Miss.	Woodruff
Walter	Williams, N. Y.	Yates
Weichel	Wilson, Ind.	Yorty
Welch	Wilson, Tex.	Zablocki
Wharton	Winstead	

## NOT VOTING—90

Abbutt	Hall,	Morano
Addonizio	Leonard W.	Morrison
Allen, Calif.	Halleck	Moulder
Armstrong	Harden	Multer
Bakewell	Hart	Murphy
Bennett, Mich.	Hays, Ark.	Murray, Wis.
Blackney	Hébert	Norblad
Boggs, La.	Hedrick	O'Hara
Bray	Heffernan	Passman
Brooks	Hess	Potter
Buchanan	Horan	Rees, Kans.
Bush	Jackson, Wash.	Regan
Byrnes	Jarman	Rivers
Camp	Jones, Mo.	Rodino
Cannon	Kean	Rogers, Fla.
Carlyle	Kennedy	Sabath
Chenoweth	Kilday	Scott,
Clemente	King, Calif.	Hugh D., Jr.
Cole, Kans.	Kluczynski	Sheppard
Colmer	Lane	Short
Combs	Larcade	Sittler
Corbett	Latham	Smith, Wis.
Curtis, Mo.	Lesinski	Sutton
Deane	McCarthy	Taylor
Delaney	McGuire	Velde
Fernandez	McKinnon	Vursell
Fisher	McMillan	Watts
Forand	McMullen	Werdel
Fulton	McVey	Wheeler
Gavin	Mason	Willis
Gore	Mitchell	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Brooks with Mr. Allen of California.  
Mr. Jarman with Mr. Halleck.  
Mr. Mitchell with Mr. Leonard W. Hall.  
Mr. Addonizio with Mr. Short.  
Mr. Deane with Mr. Blackney.  
Mr. Murphy with Mr. Latham.  
Mr. Colmer with Mr. Werdel.  
Mr. Morrison with Mr. Taylor.  
Mr. Boggs of Louisiana with Mr. Hugh D. Scott, Jr.  
Mr. Camp with Mr. Byrnes.  
Mr. McMullen with Mr. McVey.  
Mr. Kilday with Mr. O'Hara.  
Mr. Lane with Mr. Potter.  
Mr. Clemente with Mr. Rees of Kansas.  
Mr. Heffernan with Mr. Fulton.  
Mr. Moulder with Mr. Bakewell.  
Mr. Rodino with Mr. Armstrong.  
Mr. Hart with Mr. Hess.  
Mr. Hébert with Mrs. Harden.  
Mr. King with Mr. Gavin.  
Mr. Hays of Arkansas with Mr. Bush.  
Mr. Delaney with Mr. Mason.  
Mr. Multer with Mr. Norblad.  
Mr. Jones of Missouri with Mr. Sittler.  
Mr. Abbutt with Mr. Smith of Wisconsin.  
Mr. Fernandez with Mr. Horan.  
Mr. Kennedy with Mr. Velde.  
Mr. McKinnon with Mr. Murray of Wisconsin.  
Mr. McGuire with Mr. Chenoweth.  
Mrs. Buchanan with Mr. Cole of Kansas.  
Mr. Forand with Mr. Corbett.  
Mr. Rivers with Mr. Curtis of Missouri.  
Mr. Kluczynski with Mr. Bray.



Mr. Sheppard with Mr. Bennett of Michigan.

Mr. Lesinski with Mr. Kean.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

#### THE PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

#### WILLY GIROUD

The Clerk called the bill (S. 1839) for the relief of Willy Giroud.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 136 (e)), insofar as concerns any act or acts of Willy Giroud, of which the Department of State or the Department of Justice has notice at the time of the enactment of this act, Willy Giroud may be admitted to the United States for permanent residence if he is not otherwise inadmissible under the provisions of the immigration laws.

The bill was ordered to be read a third, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CALCEDONIO TAGLIARINI

The Clerk called the bill (H. R. 1446) for the relief of Calcedonio Tagliarini.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, in the administration of the immigration laws, the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), shall not hereafter apply to Calcedonio Tagliarini, Italian husband of Mrs. Rosalia Tagliarini, of Trenton, N. J., a United States citizen, with respect to any conviction or admission of the commission of any crime in his case of which the Department of State and the Department of Justice have knowledge on the date of enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That notwithstanding the provision of the eleventh category of section 3 of the Immigration Act of 1917, as amended, Calcedonio Tagliarini may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### FRANCIS KUEEN SAN THU ET AL.

The Clerk called the bill (S. 56) for the relief of Francis Kueen San Thu, Mary Luke Thu, Catherine Thu, Victoria Thu, and Anne Bernadette Thu.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Francis Kueen San Thu, Mary Luke Thu, Catherine Thu, Victoria Thu, and Anne Bernadette Thu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct five numbers from the appropriate quotas for the first year that such quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MARIA ENRIQUEZ

The Clerk called the bill (S. 211) for the relief of Maria Enriquez.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Maria Enriquez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EVANGELOS AND MICHAEL DUMAS

The Clerk called the bill (S. 440) for the relief of Evangelos and Michael Dumas.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Evangelos and Michael Dumas, the adopted sons of Mr. and Mrs. E. A. Dumas, citizens of the United States, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct appropriate numbers from the first available appropriate quota or quotas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### HUMAYAG DILDILIAN AND LUCY DILDILIAN

The Clerk called the bill (S. 529) for the relief of Humayag Dildilian and his daughter, Lucy Dildilian.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That for the purposes of the immigration and naturalization laws, Humayag Dildilian and his daughter, Lucy Dildilian, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota officer to deduct appropriate numbers from the first available appropriate quota of quotas.

With the following committee amendment:

Page 2, line 1, after "quota", strike out "of quotas" and insert the following: "Provided, That there be given a suitable and proper bond or undertaking, approved by the Attorney General, in such amount and containing such conditions as he may prescribe, to the United States and to all States, Territories, counties, towns, municipalities, and districts thereof, holding the United States and all States, Territories, counties, towns, municipalities, and districts thereof harmless against Lucy Dildilian becoming a public charge."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### JOSEPH ROSSABI ET AL.

The Clerk called the bill (S. 544) for the relief of Joseph Rossabi, Corrine Rossabi, Mayer Rossabi, and Morris Rossabi.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Joseph Rossabi, Corrine Rossabi, Mayer Rossabi, and Morris Rossabi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct appropriate numbers from the first available appropriate quota or quotas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ADAM STYKA AND WANDA ENGEMAN STYKA

The Clerk called the bill (S. 607) for the relief of Adam Styka and Wanda Engeman Styka.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Adam Styka and Wanda Engeman Styka shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-



Young people are conscious of this spirit. They know that Kansas still provides its opportunities—that all will be accepted for what they are—and really they are much like their forebears.

#### MAY SPIRIT NEVER DIE

They have the same independence of spirit; they meet the challenge of changing times and conditions—they enjoy the same things their grandparents did. Despite the many modern conveniences, it is possible that our grandparents had some advantage over us. Why, old Dobbin, hitched to the buggy, could find his way safely home with no hands on the reins at all.

Kansas was a proud and lusty infant State. Published in the Dighton Republican in 1887 are the words of an editor whose name has been lost through recopying of the item. Exemplary of the enthusiasm of the times, he wrote:

"When the roll call is sounded on the judgment day, and the heavens are rolled together as a scroll, and the reverberations of a wrecked and ruined world peal forth the fiat of immortality, eternal rest, I want to hang my weary bones on the galley rack of immortality and register in four-line pica as a man from Kansas."

May that spirit never die.

Toast Kansas now for what she is; for the people she has produced. Honor her and hope that she may ever be the heartbeat of the Nation—a State full of integrity and opportunity and a beloved home.

#### Neckyoke Jones Says

#### EXTENSION OF REMARKS OF

**HON. WILLIAM H. HARRISON**

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. HARRISON of Wyoming. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include a Neckyoke Jones Says column from the Sheridan (Wyo.) Press:

"Did you see where Harry Trooman is willin' to sacrifice hisself on the altar of publick service fer another 4 years?" I requires of Greasewood today. "Yessir," he refulminates, "an' it look to me like it is downright unfair to ast it of him. Enuff is enuff! Folks should have a heart. Here he has been workin' so hard that he has got to take a trip on his steamboat or the Sacrid Cow ever so often to git caught up on his sleep—bein' plumb wore down to a frazzel—after answerin' questions of the news boys, ketchin' red herrings an' other kinds of fish. No rest fer the weary! There he is gittin' bad news from Koree, Egep, Eyéran—an' other places which he is gittin' messed up in—an' scandels in the incomin' tax burey, the veterans administration, the Reconstruction Finanshul Corporation, an' the blushin' bureycrats in the state department. It is a awful life—an' it seems like it might be only fair to let him go back to Independence, Mozzourey fer a long spell to come. Mebbe we should even go so far as to pay his expenses back home, sayin' to him, you are well done, thou 'good and faithful servant!'" Greasewood sure feels awful sorry fer Presydunt Truman. Hopin' you are the same, I am

Yure fren,

NECKYOKE JONES.

P. S.—In case the Republickins is at all interested, eleckshun is now only 266 days off!

#### Provisions of Veterans' Housing Loan Act

#### EXTENSION OF REMARKS OF

**HON. JOE L. EVINS**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. EVINS. Mr. Speaker, the bill which we are today passing in the further interest of our veterans is of the greatest importance, and for that reason I feel that the salient features of the measure reported unanimously by the Veterans' Affairs Committee should be set forth for the RECORD.

The measure is an extension of the present program under the GI bill to provide direct housing loans to veterans in areas where private capital or loans are not available at the rate of 4 percent. This further extension of a worth-while program is meritorious and appropriate and is certainly deserving of approval here today.

One of the more commendable features of the bill is the byproduct, so to speak, in the form of assurance that veterans residing or intending to reside in small towns and rural areas will be most generally greatly benefited with respect to housing assistance. This feature is possible, as we know, by the limitation of loans to a 4-percent basis and the fact that such loans of that rate are generally available from private sources in our metropolitan centers but considerably less available in our small towns and rural sectors.

The program for direct loans was enacted by the Housing Act of 1950 with a maximum authority of \$150,000,000 being allowed to the Veterans' Administration for making direct loans for housing purposes. Since the enactment of that legislation through December 31, last, some 19,000 direct loans have been made with the initial principal totaling some \$134,000,000. Loans for this purpose have been exhausted. For that reason, it is most imperative that the extension of authorization of the program be made here today.

Since we cannot depend upon the revolving features of the original authorization to keep this meritorious program alive, further allowance of direct funds is justified.

Under the legislation before us today, an additional direct loan fund in the amount of \$125,000,000 through June 30, 1953, is authorized. This fund would be allocated at the rate of \$25,000,000 per quarter and whatever funds the Veterans' Administration receives from sale of previously made mortgages would decrease the quarterly allotment proportionately. Loans would, as formerly, be limited to \$10,000 at 4 percent.

I may point out that in enacting an extension of this legislation the risk involved is very slight. The default rate thus far on loans of this type has been less than one-half of 1 percent.

Extension of the direct loan program for the veterans of the Nation—our Korean veterans—for purposes of home and farm-house construction will be a

further extension of benefits to which they are entitled. I am gratified that the Congress is acting upon this matter without delay.

#### Humboldt Bay, Calif., Inadequate To Meet Industrial Requirements

#### EXTENSION OF REMARKS OF

**HON. HUBERT B. SCUDDER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. SCUDDER. Mr. Speaker, under permission to extend my remarks in the Appendix of the RECORD, I include an editorial entitled "Toward Harbor Improvement," as appearing in the Humboldt Standard, published at Eureka, Calif., under the date of February 6, 1952.

This editorial, which I respectfully call to your attention, points out emphatically the economic importance for harbor improvements at Humboldt Bay in northern California.

In the development of this harbor there lies the means to facilitate shipment of lumber in foreign trade and to ports of our country at greatly reduced transportation cost for military as well as civilian use. The largest virgin stand of timber in the United States is located in the north coastal section of California. Over the past decade the lumbering industry in that area has increased tremendously, but productive ability is being retarded by inadequate shipping facilities, especially by cargo vessel.

On January 14, 1952, I introduced a bill which would authorize deepening of the entrance bar and major harbor channels at Humboldt Bay, in accordance with recommendations advanced by the Chief of Engineers last year. This would provide the means for larger ocean-type vessels to enter the harbor, load, and leave again with their cargo of lumber, which is so much in demand by our Nation and for export.

In a case such as this, where the need has been recognized by high and competent authority, with adequate plans already developed and approved to meet the requirements and favorable recommendations having been made a matter of record, it is economically sound to provide the means for carrying out this project to a successful conclusion.

The editorial in reference to above sets forth some very substantial facts, and I appreciate this opportunity for setting them forth publicly. It is as follows:

#### TOWARD HARBOR IMPROVEMENT

Impressive, indeed, is the array of factual information contained in the directory of the Humboldt County lumber industry published not long ago by the Eureka Chamber of Commerce, particularly in the disclosure that there are some 258 sawmills and related enterprises in the county which provide employment to more than 8,600 people. The report is a reminder, at once, of the importance of the lumber industry in the



county's economy and of the industry's expansion during recent years.

But if these facts denote progress in the lumber industry itself, they also serve as a reminder that the pace set by the industry has hardly been matched or maintained in certain other related fields. In that connection, in particular, it is obvious that transportation facilities have lagged far behind the progress and development in the lumber producing field, notwithstanding the close relationship of these two factors.

For example, despite the fact that we now have 258 mills that cut a daily output of more than 8,250,000 feet, water transportation facilities are virtually the same as they were a decade ago when less than a dozen major operating mills in the county were producing only a fraction of the current output. In fact, the only progress of note that occurred in the transportation field is that embodied in the phenomenal growth of the trucking business, over the highways, and certain improvements in railroad facilities, although the latter is hampered by the continuing shortage of available freight cars.

It is that fact which should remind Humboldt County people, and all others concerned, of the extreme significance of the current campaign for improvement of Humboldt Bay and the local harbor facilities which, to repeat, remain at the same status as a decade ago when they served only a fraction of the tremendous industry that has developed in the interim.

As the situation stands, the harbor-development campaign was crystallized recently when Congressman HUBERT B. SCUDDER introduced a bill in Congress which would deepen the bar and the major channels of the harbor, in order to facilitate the entry and the loading of the larger-type ocean-going lumber-cargo carriers. In that connection it will be recalled that Mr. SCUDDER personally brought two groups of Congressmen to Humboldt County last fall to get a first-hand picture of the situation, a move that undoubtedly will prompt both increased attention and support toward the harbor-development program in congressional circles.

In the meantime, Mr. SCUDDER has indicated that he will make every effort to press the proposed program to an early conclusion, and that he is hopeful that it can be authorized ahead of the general omnibus rivers-and-harbors legislation which might require considerable time to effect full congressional approval. And, in that connection, local supporters of the program are reminded that their continued support is essential if this objective is to be attained.

As the situation stands, again, the shipment of lumber from the local port continues to be hampered by the inadequate port facilities, which not only discourage calls by the large-type carriers, but, as well, prevent the loading of complete cargoes because of the relatively shallow depth of the bar and channels. This deficiency was well illustrated a couple of months ago when it was disclosed that the military authorities were hesitant to contract for large cargoes from this port because full loadings could not be assured, again due to the shallow drafts. Happily, that situation was resolved to the satisfaction of all concerned when the military readjusted its basic loading requirements with reference to contracts.

Last year, the port had its greatest resurgence of activity in more than two decades, with more than 40,000,000 feet of lumber moving out through the harbor. But 40,000,000 feet of lumber, in these days of intensive production, represents only a modest portion of the annual cut. We cannot but be reminded of the obvious fact that a great deal more lumber could, and no doubt would, have been shipped by water transport had the port facilities been able to handle it.

And that, again, emphasizes the urgency of the situation and the extreme importance of bringing water transport facilities into line with the general development of the lumber industry.

The importance of the harbor improvement program is emphasized, again, by the close relationship of the country's lumber industry to the national defense effort. Much of production of the last 2 years is in direct reflection of the Federal Government's rearmament program, since lumber plays an important part in this program, in both domestic and world-wide fields. And the pressure for continued production for that purpose is still on—while, in the meantime, we struggle along with inadequate port facilities that could speed up transport and delivery of the needed lumber. And in that same connection, again, adequate water transport facilities at the point of origin mean savings for the federal purchasing agency, through elimination of overland hauls and transshipment operations.

The announcement that Mr. SCUDDER has presented the bill and the program it represents to Congress is encouraging news indeed. The necessity for its early enactment should be quite as obvious to Congress as to our own people, in view of the multiple aspects relating to regional economy, to efficiency, and to the defense program. And, finally, with reference to the latter aspect, all concerned may be reminded that the local port would be playing another highly essential role should war actually ensue, from the naval as well as the commercial viewpoint.

### The Late Honorable William A. Ayres

#### EXTENSION OF REMARKS

OF

### HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. EVINS. Mr. Speaker, the passing of William A. Ayres, former Member of this body and former Chairman of the Federal Trade Commission, brings to a close a life of great devotion to the public service. Mr. Ayres was a great American of the highest integrity and devotion to duty. He passed away at the age of 84 years on Sunday last.

It was my great privilege to be closely associated with Commissioner Ayres for a number of years in the Federal Trade Commission; and the period of our association was at all times most pleasant and, if I may be permitted a most personal reference, most inspirational to a young lawyer entering the field of public service. As member and chairman of the FTC Mr. Ayres was an exemplification of the highest type of administrator.

Commissioner Ayres was a native of Kansas and as a Representative from that State sat as a Member of this body for a period of 17 years where he was most respected and esteemed—a position worthy of envy and warranted by his ability, warmth of personality, and forthright honesty and integrity. He carried to the Federal Trade Commission upon his appointment by the late President Roosevelt those same innate characteristics which continued to be turned into the public good and benefit.

I could recount from my own personal experience of association with Commissioner Ayres many incidences of his able administration and his honest approach to all duties performed—but his reputation is such, and his character so well known by all with whom he was associated, as to make the relation of such most unnecessary.

Upon his passing, I feel that no more can be said than that he was a great American, a great Democrat, a splendid and able commissioner and administrator, and a man of the highest type and integrity. I am sincerely grieved at his passing and extend to the members of his family an expression of my heartfelt sympathy.

### Morality a Dead Letter

#### EXTENSION OF REMARKS

OF

### HON. WILLIAM H. HARRISON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. HARRISON of Wyoming. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I insert an editorial, *Morality a Dead Letter*, originally published in the Casper (Wyo.) Tribune-Herald:

#### MORALITY A DEAD LETTER

Senator JOHN J. WILLIAMS, who touched off the investigation that revealed the corruption running through the Internal Revenue Bureau, said the other day that Secretary of the Treasury John W. Snyder cannot escape a part of the responsibility. President Truman snapped back that that was all a bunch of foolishness; that Cabinet members cannot be blamed for the misdeeds of some obscure underling; and then went off on the now familiar refrain that such things happen all the time, in business as in politics.

Mr. Truman might be surprised to know how infrequently crookedness enters into business; and if the chief executive of any big corporation were confronted with a situation comparable to that shown in the Federal tax-collecting agency he wouldn't have to be told he was out of a job.

Cabinet officers are responsible for their departments. If they do not know what goes on, they are incompetent; if they do know of corrupt practices and fail to act, they are unfaithful. The disquieting fact now established is that many of the scandals which congressional investigation has revealed in Government were known and blinked. Even more disquieting is Mr. Truman's policy of denying everything until it is proved and then doing nothing about it.

The only conclusion left is that corruption will not be rooted out of Government because there is no disposition on the part of anyone in executive capacity to do so, from the White House right on down. Government has been converted into a paradise for political freebooters and nobody is going to let go so long as the slightest chance remains for personal gain.

Morality is a dead letter in Washington. If it is to be restored to public life, it will have to be by action of the whole American people.



heads of the departments, such as the Secretary of the Treasury and Attorney General.

This seemed like a fairly obvious way to make democracy work—let the public squawk, as it has a right to, and keep the Government, which is supposed to work for us instead of push us around, on its toes. Plenty of people had been writing to me for suggestions on how to make their resentment felt, so I gave this clew.

One of the readers, a Cleveland gentleman whose name I need not disclose just yet, acted on the suggestion. He wrote a postcard to the Secretary of the Treasury Snyder. He didn't just protest; he got off what he thought was a neat little wisecrack. He simply wrote: "I like your dollars but I don't like your scents." Not bad, at that.

Well, you might suppose that the big wheels at the Treasury would at least have a rudimentary sense of humor, and on receiving this, would smile wryly and deposit it in the wastebasket, figuring the writer was a Republican at heart, or at the very worst, an independent; or else take the card home and give Momma a laugh.

#### *Gestapo treatment*

But no, that didn't happen at all. The great men in the Treasury, whoever they were, decided to give our post-card writer the Hitler-Stalin treatment. Within a few days he received a letter (of which I have a copy) from an agent in the Tax Intelligence Unit, Ferguson Building, Cleveland, saying the matter about which he wrote the Secretary was being given consideration, and it would be desirable, in fact, necessary, to interview him. The agent had been trying unsuccessfully to get him on the phone for several days, so would he please drop a line to the agent (self-addressed letter enclosed at Government expense), or else drop in and see the agent.

My friend, the post-card writer, however, had not lost his sense of humor even if the Treasury Department had. He saw no reason at all why he should chase the agent around to discuss a simple wisecrack. He had a living to make. So he ignored the letter. But he still got notices and calls that he was supposed to see the agent. Finally, the agent found him and asked him just what he meant.

Now, let's excuse the agent in this little act. Give him the benefit of the doubt as a little man simply doing what he was ordered to (although he did write a particularly stupid letter).

#### *Not enough work?*

What I would like to ask is this: Has the Tax Intelligence Unit so little work to do that it can afford to assign an agent, and waste his time, stationery, stenographic help, and phone calls on running down an ordinary citizen who wrote a humorously critical post card to the Secretary of the Treasury?

Doesn't it need its own manpower to track down people who have been trying to crook the Government on their income taxes? (It seems there have been plenty of those, including some in the internal revenue offices themselves.)

What right has the tax intelligence office, or any other branch of the Treasury, to use the implied threat on this post card writer, that if he was going to get snotty with the Secretary (lese majesty, huh?) his income-tax returns were going to be investigated? That's the first thing a citizen would think of when he saw such a letter.

Farfetched as it may seem in this land of the free, that's exactly the technique the late Hitler and the current Stalin used. Go after the protestor and threaten him. Indicate that he might find himself in jail because he squawked.

#### *Maintains humor*

It happens that my friend has no back income tax to pay. He would be happy, he says, if the agent wanted to hand him a re-

fund. He still has his sense of humor and, he told the agent, he was plenty sorry for having voted for Truman.

This could be pretty funny, except for the nasty implications it carries—the threat of force, the suggestion that you'd better not get fresh with a heavy guy like a cabinet officer, a personal friend of Mr. Big, or you'll be investigated. Before I found out about this, I had believed Secretary Snyder was just another mediocre Truman crony, but not worth getting in a heat about, for he probably personally didn't know much about what was going on in the Department.

Now I've revised my opinion. A guy who would permit this to happen in his Department either is a danger to democratic institutions or a very stupid man or both. He ought to be removed.

### UMT Will Impair Defense

#### EXTENSION OF REMARKS

OF

### HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. SHAFER. Mr. Speaker, under permission to extend my remarks I include an article by Hanson W. Baldwin, well known military analyst, warning Congress against present consideration of universal military training. The article, which appeared in the February 15 editions of the New York Times, follows:

UMT HELD A HANDICAP—MANY ASSERT THAT IMPLEMENTING PROGRAM IN ITS PRESENT FORM WOULD IMPAIR DEFENSE

(By Hanson W. Baldwin)

The proposed universal military training plan, now under discussion in Congress, is believed by many leaders to be a definite handicap to national defense.

The view that the present law which Congress is now trying to implement, is an entering wedge, a start from which a better law may grow later, is one that is endorsed officially by the Pentagon, but there are some in high places who do not agree with this view.

The basic UMT legislation, and the implementing measures now being discussed by Congress, provide for 6 months' training—not for all, but for all 18-year-olds reasonably physically fit—to be started when the President or Congress decides.

This training, however, would be in a separate National Security Training Corps, not a part of the Armed Forces.

The training, however, would be supervised by a civilian commission and would be ringed round with various limitations and attempted safeguards, which would make old-time top sergeants turn over in their graves, and which actually have no valid place in any military training for adults.

The National Security Training Commission, for instance, reported to Congress—undoubtedly as a sop to what it thinks is public opinion—that:

"We believe that no 3.2 beer should be sold in a UMT camp or training area. We would expect the PX's, ship stores, and trainee clubs within the UMT area to provide adequate soft drinks, fruit juices, ice cream, and a wholesome atmosphere."

#### LIMITATIONS IN PROGRAM

The trainees in the corps would have different pay and would be subject to laws and regulations separate from but similar to those governing the regular services, a feature that would certainly encourage sepa-

ratism and discourage morale. Training would be limited to this country; the youths would not be liable for service overseas and our regular forces would not be strengthened but weakened because of additional turnover and the necessity of providing training cadres for the trainees in the National Security Training Corps.

There are many within the military service who have grave misgivings about the present legislation and are anxious to see any attempt to implement it deferred at least for the duration of the present emergency. Some of these critics are men high in both civilian and military posts in Washington, but most of them, following the "party line" of policy, will not speak out publicly.

Maj. Gen. John S. Wood, United States Army, retired, a distinguished tank commander in World War II, is one exception, however. He has informed Congress that "from the standpoint of national security—which should be the only basis of consideration—UMT as now planned will cost enormous sums of money without providing any security whatever or in any way deterring possible aggressors."

"On the other hand," he added, "the continuation of the draft, or a requirement of universal military service for 18 months to 2 years \* \* \*, seems inevitable for a long period ahead."

#### LUXURY WE CAN'T AFFORD

One military official on a high echelon told this writer recently that as long as we have limited funds, UMT is a luxury we can't afford.

"You don't stockpile," he said, "a guy you can teach on the production line in 30 to 120 days."

The human stockpiling he mentioned referred to the provision in the UMT law that requires all trainees after completion of 6 months of training to serve for 7½ years in reserve components, thus building up a large mass of semitrained manpower. This authority felt, as many others do, that such a policy would do nothing to increase our military readiness, and might well impair it. The real problem of mobilization is not, and never has been, the training of large masses of military manpower, but the manufacture of arms and equipment and the organization of units.

The same man foresaw the emergence of three major problems that would greatly complicate the already enormous problems of the Armed Forces if UMT were started during the present emergency, to run concurrently—if even on a small scale—with the draft.

These were the funding problem (money); the deferment problem—how to pick some boys for 6 months' training and others for 2 years' service; and the personnel problem, i. e., the rapid exhaustion (which is a problem regardless of whether or not UMT is implemented) of presently available military manpower in the 18-to-26 age bracket.

All these objections are so cogent and so serious that Congress should give far more care to its consideration of implementing measures for UMT than it has yet given.

### Funds: Additional for Direct Housing To Benefit Veterans

#### EXTENSION OF REMARKS

OF

### HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1952

Mr. WOLVERTON. Mr. Speaker, the proposed legislation before the House



for its consideration—H. R. 5893—deserves to have the unanimous support of the House.

The purpose of the bill is to provide additional funds, to the amount of \$125,000,000, for the revolving funds for the purpose of making direct loans under the Servicemen's Readjustment Act for housing at 4 percent interest rates where such loans are not available from private sources. The maximum amount of any loan that may be made is \$10,000.

At the present time, however, the original \$150,000,000 has been entirely allocated, and, thus, unless this legislation is enacted or substantial funds are received from the sale of existing mortgages, there will be insufficient funds available for making of direct loans.

This creates a situation that requires immediate action. Otherwise the original intent of Congress to assist veterans will fail of its full purpose.

While the administration of the fund with respect to its basic purpose has been helpful, yet it seems to me that there is no apparent justification of the administration in limiting its application at this time to nonmetropolitan areas of the country, and thus making nearly all of the loans in rural or semi-rural areas. There is a need in our cities as well. I hope this situation will be corrected.

### How Not To Win Friends and Influence People

#### EXTENSION OF REMARKS OF

**HON. HOWARD H. BUFFETT**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 14, 1952

Mr. BUFFETT. Mr. Speaker, since July 1940, America has given to Holland in grants and loans \$839,891,000, according to figures supplied me by the clearing office for foreign transactions.

Of this amount, \$658,000,000 were handed over to the Dutch under the Marshall plan.

Have these handouts created in Holland a sense of overflowing friendship and love for America?

A news story in the New York Times on February 18 may give the answer.

As the saying goes, "read it and weep." But do not let it alter your respect for the people of the Netherlands, who are among the world's finest.

Their seeming ingratitude simply reflects a natural hostility to any attempt to buy their friendship.

Here is the story:

**DUTCH LAG ON UNITED STATES GIFT—PUBLIC COLLECTIONS FOR CARILLON INDICATE LACK OF ENTHUSIASM**

**THE HAGUE, THE NETHERLANDS, February 18.**—The results of a street collection to finance a carillon as a Dutch token of gratitude to the United States have not come up to expectations.

The collection, which was held Saturday, was preceded by generous press and radio publicity about the gift that Queen Juliana will present to President Truman in Wash-

ington in April. Last week, the first of the 49 bells was accepted by Princess Marijke, the youngest of the Queen's children in a palace ceremony.

Preliminary figures tonight indicated an unenthusiastic response to the appeal. In Amsterdam, a city of 1,000,000 persons, the collection totaled about 5,000 guilders (\$1,315). The quota was 30,000 guilders.

### Universal Compulsory Military Training for Women

#### EXTENSION OF REMARKS OF

**HON. DANIEL A. REED**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 22, 1952

Mr. REED of New York. Mr. Speaker, I feel sure that my constituents would be interested to have Anna M. Rosenberg, Assistant Secretary of Defense, who proposes universal compulsory military training for women of our country, answer these questions:

#### INTERROGATORY

1. What would be the average annual number of females called up for training?
2. What would be the probable annual number of rejections?
3. What would be the size of each annual class of trainees?
4. Would standards of mental and physical requirements be as high as in the Regular Army and Navy Establishments or would substandards for training be adopted?
5. What would be the character of service for which female trainees would be trained?
6. Would there be any color lines or segregation into racial units?
7. If so, what would be the social and moral effect on those so segregated?
8. If not, what would be the social and moral effect on white trainees, especially from sections of the Nation in which color lines are traditionally observed?
9. How many commissioned officers would be required as a standing class of instructors to train the females each year?
10. How many noncommissioned officers would be required as a standing class of instructors to train the females each year?
11. How many privates would be required as a standing army to aid in training each annual class of female trainees?
12. Would the same commissioned and noncommissioned officers who train the male trainees be available to train the female trainees or would there have to be a separate class of commissioned and noncommissioned officers?
13. Would these permanent classes of commissioned and noncommissioned officers give rise to a military caste in this country?
14. Has compulsory military training or service in other countries given rise to such a military caste?
15. Would a military caste be dangerous to American free institutions and traditions?
16. Would female trainees be taken from their schools for a year and sent away to barracks or training areas distant from their homes?
17. If young women were withdrawn from their school work a year, what would be the effect on their school work and training?
18. Would this service be compulsory military service or compulsory military training?
19. Would this compulsory service violate constitutional provisions against involuntary servitude?

20. What are the points of difference between compulsory military service and compulsory military training for females?

21. In either case would female trainees receive training other than strictly military training?

22. Would female trainees be subject to service with Regular troops abroad?

23. Would female trainees be subject to active military service in police regiments outside their own country?

24. What pay would female trainees receive for their period of training?

25. Should females be trained as a part of the National Guard under control of State governors, or as a part of the United States armed services under control of the Federal Government?

26. What would be the period for which female trainees would be liable to call for military service?

27. What would be the effect of this liability to call on the business, professions, and homes of the Nation?

28. What would be the effect on American womanhood?

29. What would be the period of training?

30. Would a year's training be adequate to train females for some of the more technical work they would be called upon to perform?

31. Would training courses for females closely simulate actual modern battle conditions?

32. If so, would such training tend to brutalize young women, break down moral inhibitions, and produce a generation loose in morals?

33. Would female trainees be called back at later periods for refresher training?

34. If so, how often after the first training period is ended?

35. What effect would this have on business, the professions, and the homes of the Nation?

36. What pensions or other benefits would female trainees injured in training receive? Would such benefits be comparable to benefits paid regular members of the armed services injured in battle?

37. What would the cost of such a training program be to the Federal Government?

38. If we are to have a durable peace, what would be the need for such compulsory military service?

39. What nations, after this war is ended, would be our potential enemies of the future?

40. If a durable peace is not in prospect, how could the United States have an adequate defense without such compulsory military service or training on the part of both men and women?

41. If a durable peace is not in prospect, would a year's training period be sufficient adequately to train American female youth for war services?

42. Would the rapid advances in military machines, weapons, and munitions render such training rapidly obsolete unless female trainees were frequently called back for refresher training?

43. Will it be possible to achieve a peace so certain and lasting that the Nation would not need a national defense adequate to meet another sudden war?

44. Will the United States be likely to have as much time in any future war to train females for military service as we had in the first and present world wars?

45. If not, then is compulsory military training for females imperative to our national defense?

46. What other countries, if any, have had compulsory military service for females?

47. What has been their experience with regard to the problems outlined in the foregoing questions?

48. What would be the effect of such a program upon the trend of the Nation toward militarism?







82<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5893

---

IN THE SENATE OF THE UNITED STATES

FEBRUARY 20 (legislative day, JANUARY 10), 1952

Read twice and referred to the Committee on Banking and Currency

---

## AN ACT

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 513 of the Servicemen's Readjustment Act of  
4       1944 is amended by adding the following subsection (d) :  
5       “(d) For the purposes of further augmenting the re-  
6       volving fund established in subsection (a) hereof the Sec-  
7       retary of the Treasury is authorized and directed between the  
8       effective date of this subsection and July 1, 1952, to make  
9       available to the Administrator such additional sums not in

1 excess of \$25,000,000 as the Administrator may request, and  
2 is authorized and directed to advance from time to time  
3 thereafter until June 30, 1953, such additional sums as the  
4 Administrator may request, provided that the aggregate so  
5 advanced in any one quarter annual period shall not exceed  
6 the sum of \$25,000,000 less that amount which had been  
7 returned to the revolving fund during the preceding quarter  
8 annual period from the sale of loans pursuant to section  
9 512 (d) of this title. Except for the limitation on the sums  
10 authorized in subsection (a) hereof, this subsection shall be  
11 subject to the other provisions of this section and of this  
12 title.”

Passed the House of Representatives February 19, 1952.

Attest:

RALPH R. ROBERTS,

*Clerk.*



82<sup>d</sup> CONGRESS  
2<sup>d</sup> Session

H. R. 5893

---

## AN ACT

---

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

---

FEBRUARY 20 (legislative day, JANUARY 10), 1952

Read twice and referred to the Committee on  
Banking and Currency







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued April 4, 1952  
For actions of April 3, 1952  
82nd-2nd, No. 56

## CONTENTS

Aluminum.....	7	Farm bankruptcy.....	1	Immigration.....	6
Appropriations.....	5,8,9,12	Flood control.....	8	Price control.....	3
Dairy industry.....	3	Labor, farm.....	6	Reorganization.....	2
Defense Production Act		Loans, farm.....	4	Transportation,	
Amendments.....	11			water.....	10

**HIGHLIGHTS:** Senate debated farm bankruptcy bill. Senate committee reported bill to carry out Hoover Commission recommendations regarding regulatory agencies. House committee reported defense appropriation bill.

## SENATE

- FARM BANKRUPTCY.** Began debate on S. 25, to provide a permanent system of farmer-debtor relief under the Bankruptcy Act (pp. 3488-93).
- REORGANIZATION.** The Government Operations Committee reported with amendment S. 1139, making certain changes in laws applicable to regulatory agencies of the Government so as to effectuate the recommendations regarding regulatory agencies by the Commission on Organization of the Executive Branch of the Government (S. Rept. 1401)(p. 3467).
- PRICE CONTROL.** Sen. Schoeppel inserted a Topeka, Kans., Food Dealers Association resolution opposing price control on food items (p. 3466).  
Sen. Wiley inserted a Pure Milk Association telegram opposing price control (p. 3467).
- FARM LOANS.** The Banking and Currency Committee ordered reported (but did not actually report) H. R. 5593, to make additional funds available to the VA for direct home and farmhouse loans to eligible veterans (p. D306).

## HOUSE

- DEFENSE APPROPRIATION BILL, 1953.** The Appropriations Committee reported this bill, H. R. 7391 (H. Rept. 1685)(p. 3508).

## BILLS INTRODUCED

- FARM LABOR.** H. R. 7381, by Rep. Hull, Wis., to amend the Universal Military Training and Service Act so as to provide deferments for persons engaged in agricultural activities essential to defense; to Armed Services Committee (p. 3508).  
H. R. 7376, by Rep. Celler, N. Y., to authorize 300,000 special nonquota immigration visas to certain refugees, etc.; to Judiciary Committee (p. 3508).



ITEMS IN APPENDIX

7. ALUMINUM: Rep. Celler, N. Y., inserted his letter to Mr. Samuel W. Anderson, Deputy Administrator for Aluminum, Defense Production Administration, discussing the current shortage of domestically-produced aluminum for civilian fabrication and suggesting that this country import aluminum for this purpose from Canada (pp. A2196-7).
8. FLOOD CONTROL. Speech in the House by Rep. Brooks, La., criticizing House action in reducing appropriations for flood control purposes on the lower Mississippi River valley (p. A2197).
9. APPROPRIATIONS. Speeches in the House by Reps. Miller (N.Y.) and O'Hara (Minn.) on the Army civil functions appropriation bill for 1953 (pp. A2194, A2202-3).
10. TRANSPORTATION, WATER. Speech in the House by Rep. Rankin, Miss., for additional appropriations to complete planning and begin construction of the Tennessee-Tombigbee Inland Waterway. He also inserted his statement before a Senate committee three years ago on this project (pp. A2190-3).

COMMITTEE HEARINGS released by GPO

11. Defense Production Act Amendments of 1952. Part 2, S. 2594, S. 2645. S. Banking and Currency Committee.
12. Legislative Branch Appropriation Bill, 1953. H.R. 7313, Part 2; H. Appropriations Committee.

COMMITTEE HEARINGS: 3rd supplemental appropriation bill, S. Appropriations (ex), Apr. 4. Increased appropriation authorizations for extension work, H. Agriculture, Apr. 7 (M. L. Wilson to testify). Financing of recreation on national forests, H. Agriculture, Apr. 8 (Watts and Cliff to testify). Jurisdiction over Oregon and California revested grant lands, H. Interior, Apr. 7 (Watts and Mynatt to testify). Foot-and-mouth disease investigation, H. Agriculture, Apr. 9 (Robert Montgomery to testify). Foreign aid, S. Foreign Relations, Apr. 4. Transportation bills, S. Interstate and Foreign Commerce, Apr. 4.

For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105 Adm.

# Daily Digest

## HIGHLIGHTS

- Both Houses heard Queen of Netherlands in joint meeting.
- Senate passed two bills on veterans' pensions.
- House adjourned out of respect to Representative Schwabe.
- Senate Armed Services and Banking Committees approved bills on veterans, credit unions, land transfer and use, and FSLA.
- Public hearings on air-mail subsidy separation bills concluded by House committee.

## Senate

### Chamber Action

*Routine Proceedings, pages 3466-3468*

**Bills Introduced:** Two bills and one resolution were introduced, as follows: S. 2971 to S. 2972; and S. Res. 299. Pages 3467, 3493

**Bills Reported:** Reports were made as follows:

H. R. 4444, conveyance of land to Macon, Ga. (S. Rept. 1396);

H. R. 4796, to retrocede to the State of North Carolina concurrent jurisdiction over a highway at Fort Bragg, N. C. (S. Rept. 1397);

H. R. 4897, authorizing surrender and conveyance of certain rights of access in and to Chelsea Street, Boston, to Massachusetts (S. Rept. 1398);

H. R. 4965, authorizing conveyance of land at naval ammunition and net depot, Seal Beach, Calif. (S. Rept. 1399);

H. R. 4949, providing for free blank ammunition for veterans' organizations for use in funeral ceremonies (S. Rept. 1400);

S. 1139, making certain changes in laws applicable to regulatory agencies of the Government, with amendment (S. Rept. 1401); and

Report of Committee on Government Operations on expansion of activities of Department of Labor (relative to S. 1142, a bill on that subject) (S. Rept. 1402).

Page 3467

**Bills Referred:** One House-passed bill was referred to appropriate committee. Page 3487.

**Queen of Netherlands:** Senate met jointly with the House to hear address by Queen Juliana of the Netherlands. Pages 3465-3466, 3500-3501

**Veterans' Pensions:** By voice vote, Senate passed with amendments H. R. 4394, to provide certain increases in

monthly rates of compensation and pension payable to veterans and their dependents, after taking the following actions on amendments thereto:

**Adopted:** Committee amendments, one as amended by modified Hunt amendment, increasing from 5 percent to 15 percent monthly rates of pension to veterans (and their dependents) of Spanish-American War, Civil War, and Indian wars; and George amendment of a technical clarifying nature.

**Rejected:** Cordon amendment (to committee amendment) respecting payments for non-service-connected disabilities; on division vote, modified Douglas amendment providing 15-percent increase in monthly rates of compensation for paraplegics, double amputees, blind, and other 100-percent disabled veterans; on division vote, Cordon amendment substituting for first section of bill language providing 15-percent increase in monthly rates of compensation for disability, after rejection of Knowland amendment thereto which would have made such increase 10 percent instead of 15 percent.

Pages 3468-3487

**Veterans' Pensions—Annual Income Limitations:** Senate passed with amendment H. R. 4387, to increase the annual income limitations governing the payment of pension to certain veterans and their dependents, after adopting committee amendment in nature of a substitute for the bill. Pages 3487-3488

**U. N. Delegate:** S. Res. 255, favoring replacement of Philip Jessup as delegate to U. N., was indefinitely postponed. Page 3488

**Bankruptcy:** Senate made its unfinished business S. 25, to amend the Bankruptcy Act (farmer-debtor relief), which would provide for farm moratoriums. Pages 3488-3493



**Condolence Resolution:** S. Res. 299, expressing condolence on death of Representative George B. Schwabe, was adopted, and Senators Kerr and Monroney were appointed to the funeral committee. Pages 3493-3494

**Nominations:** 24 Navy nominations were received.

Page 3494

**Program for Friday:** Senate recessed at 5:13 p. m. until noon Friday, April 4, when it will continue on S. 25, to amend the Bankruptcy Act (farmer-debtor relief), which would provide for farm moratoriums, to be followed by S. 2240 and S. 2234, bankruptcy bills. (Senate stood in recess from 12:15 p. m. to 1:05 p. m. to hear address by Queen Juliana of the Netherlands.)

## Committee Meetings

(Committees not listed did not meet)

### APPROPRIATIONS—AGRICULTURE

**Committee on Appropriations:** Subcommittee on Agriculture continued executive hearings on the 1953 budget estimates for the Department of Agriculture, and heard the following witnesses conclude testimony in support of funds for their respective departments; Gus F. Geissler, Administrator, PMA, and assistants; J. M. Mehl, Administrator, Commodity Exchange Authority, and assistants; and R. L. Webster, Director of Information, Office of Information, and assistants, all of the Agriculture Department. Hearings continue April 7, when public witnesses will be heard.

### APPROPRIATIONS—STATE DEPARTMENT

**Committee on Appropriations:** Subcommittee on State, Justice, Commerce continued its executive hearings on 1953 budget estimates for the Department of State, and heard further testimony in support of these estimates from John D. Hickerson, Assistant Secretary for U. N. Affairs, State Department. Hearings continue tomorrow.

### LAND TRANSFER, RIGHTS-OF-WAY, AND VETERANS

**Committee on Armed Services:** Committee, in executive session, ordered favorably reported without amendment the following five bills: H. R. 4796, to retrocede to the State of North Carolina concurrent jurisdiction over a highway at Fort Bragg, N. C.; H. R. 4897, authorizing surrender and conveyance of certain rights of access in and to Chelsea Street, Boston, to Massachusetts; H. R. 4444, conveyance of land to Macon, Ga.; H. R. 4965, authorizing conveyance of land at naval ammunition and net depot, Seal Beach, Calif.; and H. R. 4949, providing for free blank ammunition for veterans' organizations for use at funeral ceremonies. Committee also ordered favorably reported two Air Force nominations.

It considered, but took no action on, H. R. 4511, conveyance of property at Kahului, Wailuku, Maui, to

Hawaii; H. R. 6319, authorizing appointment of a Chief of the Medical Service Corps of the Navy; and H. R. 6336, authorizing additional funds for construction and equipment at existing laboratories and research stations of the National Advisory Committee for Aeronautics.

### VETERANS' LOANS, CREDIT UNIONS, FSLA, AND NOMINATION

**Committee on Banking and Currency:** Committee, in executive session, ordered favorably reported without amendment the following bills: H. R. 5893, to make additional funds available to the VA for direct home and farmhouse loans to eligible veterans; H. R. 6101, to extend the provisions of the Federal Credit Union Act, as amended, to the Virgin Islands; H. R. 2608, to amend the Federal Credit Union Act by authorizing investment of funds in shares or accounts of any State-chartered institution insured by the Federal Savings and Loan Insurance Corporation, etc.; and S. 2564, to amend the Home Owners' Loan Act by restricting the Federal Savings and Loan Association from establishing branches except in conformity with State laws and practices.

Prior to this action, committee heard T. B. King, VA, and assistants, present favorably views on H. R. 5893, following which committee heard Senator Frear, chairman of the Securities, Insurance, and Banking Subcommittee, review all bills pending before his subcommittee and discuss subcommittee plans for proceeding with these pending bills.

Prior to this action of the full committee, the Subcommittee on Securities, Insurance, and Banking held hearings on the nomination of Clarence H. Adams to be a member of the SEC, and heard Mr. Adams testify in behalf of his own nomination, after which subcommittee unanimously approved the nomination.

### UNEMPLOYMENT COMPENSATION

**Committee on Finance:** In executive session, committee voted to postpone indefinitely further action on S. 2504, to provide supplementary unemployment compensation benefits in certain cases to workers unemployed during the national emergency.

### MUTUAL SECURITY

**Committee on Foreign Relations:** Committee continued its executive meetings on the proposed extension of the Mutual Security Program for fiscal 1953, receiving further testimony with respect thereto from the following witnesses: C. Tyler Wood, Assistant Deputy Director, MSA; Stanley Andrews, Director, Office of Foreign Agriculture Relations, Department of Agriculture; Jonathan Bingham, Acting Administrator of Technical Cooperation Administration, State Department; Gen. George H. Olmstead, Director of Military Assistance, Department of Defense; and Harlan Cleveland, Assistant Director, MSA for Europe. Committee also heard testimony from Arthur Gardiner, State Department. Hearings continue tomorrow.









## PROVIDING ADDITIONAL FUNDS FOR SUPPLEMENTAL DIRECT HOME AND FARMHOUSE LOANS BY THE VET- ERANS' ADMINISTRATION

APRIL 7 (legislative day, APRIL 2), 1952.—Ordered to be printed

Mr. MAYBANK, from the Committee on Banking and Currency,  
submitted the following

### REPORT

[To accompany H. R. 5893]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 5893) to provide additional funds to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended, having considered the same, report favorably thereon and recommend that the bill do pass.

#### EXPLANATION OF THE BILL

The bill would make available additional funds not to exceed \$125 million to provide for the making of additional direct loans under the Servicemen's Readjustment Act in areas where VA-guaranteed 4-percent loans are not available from private sources. The interest rate on direct loans made by the Veterans' Administration is 4 percent per annum and the maximum loan amount in the individual case is \$10,000.

The stand-by direct loan program of the Veterans' Administration was originally recommended by your committee when it reported the Housing Act of 1950 (Public Law 475, 81st Cong., effective April 20, 1950). The program was authorized in recognition of the fact that many World War II veterans, particularly those living in smaller towns and in semirural areas, were unable to find private lenders willing to make VA-guaranteed 4-percent home loans. The strictly stand-by and supplemental character of the direct-loan program was underscored by requirements in the law that the Administrator could make direct loans available only in those areas where private capital is not available for GI 4-percent loans, and that the veteran show that

## 2 PROVIDE ADDITIONAL FUNDS FOR HOME AND FARMHOUSE LOANS

no private lender in the community is willing to make him a GI 4-percent loan. Your committee believes that the basic purpose of the law has been faithfully administered and has fulfilled a real service in meeting the needs of veteran home buyers who do not live in the larger urban sections of the country where private capital for VA-guaranteed 4-percent loans has been relatively in better supply.

The original authorization contained in Public Law 475 provided for a maximum of \$150 million in direct loans. The authority of Veterans' Administration to make direct loans expired June 30, 1951, but was later extended through June 30, 1953, by Public Law 139, Eighty-second Congress, effective September 1, 1951. The extended program did not provide for an increase in the \$150 million authorization but did reconstitute the fund as a revolving fund which permits the making of direct loans in excess of \$150 million by an amount equal to the amount of principal repayments and the amount of sales of direct loans to private lenders. It was hoped that this revolving fund feature would enable the Veterans' Administration to serve additional veterans as principal repayments and sales to private lenders took place. But principal repayments on loans already made amount to only about \$500,000 per month for the country as a whole. Moreover, due to the condition of stringency which has characterized the mortgage market over the past year, the sale of direct loans, which was looked to as the primary means of recapturing funds in order to make new direct loans, has met with only lukewarm acceptance in the private mortgage market. While the sales program has only gotten under way, yet, according to the Veterans' Administration, it indicates a certain amount of lender interest which is at least mildly encouraging.

Thus, through the end of February, the Veterans' Administration has sold direct loans in a dollar total of \$920,000, an additional \$430,000 was in process of closing, and lenders had tentative reservations for the purchase of additional loans totaling \$1 million. It is hoped that the rate of sales will pick up during the remainder of this fiscal year and also in fiscal year 1953, but it is still not possible to estimate the approximate magnitude which such sales will attain, in view of the relatively brief period during which the sales program has been in active operation. In the immediate period, at least, it is extremely unlikely that the sale of loans to private investors will be adequate to meet the expected demand for direct loans for veterans in view of the current state of the mortgage market.

As a result, the present resources of the fund are virtually exhausted and the Veterans' Administration is unable to meet the demand for direct loans in the areas now designated as eligible. Your committee is hopeful that the additional funds provided by this bill will serve to meet most of the expected demand for direct loans in the designated areas.

The amendment adopted by the committee does not provide for making available the full \$125 million immediately. The bill would employ a method which would spread the funds out over the life of the direct-loan program which expires June 30, 1953. The sum of \$25 million would be made immediately available between the date of passage of the bill and July 1, 1952, and thereafter a maximum of \$25 million per calendar quarter would be made available. However, the \$25 million which is made available each quarter is to be

reduced by the dollar amount of sales of direct loans made in the preceding quarter. Thus, the amount of new borrowing from the Treasury will be directly reduced below the \$25 million per quarter maximum to the extent that the Veterans' Administration is successful in selling direct loans previously made to private lending institutions in the preceding quarter.

In the wording of the bill (H. R. 5893) as referred to this committee, there was some question as to whether the initial \$25 million to be made available between the date of passage and July 1, 1952, is to be reduced by direct-loan sales in the preceding 3-month period. Your committee has considered that question and believes that the phrasing of the bill is sufficiently clear to express the legislative intent that the initial \$25 million sum should not be made subject to the deduction of previous sales.

Your committee wishes to emphasize that the additional direct loans which would be made possible by this bill, as are those heretofore made, will be confined generally to the nonmetropolitan areas of the country so that nearly all direct loans will be made in the smaller towns and rural areas of the country. The committee emphasizes further that direct loans are not to be made regardless of area wherever a private lender shows a willingness to make a VA-guaranteed 4-per-cent loan.

The law requires also that the veteran be a satisfactory credit risk and that he indicate ability to repay the direct loan. The sound character of the direct loans already made by the Veterans' Administration is amply demonstrated by the low default rate and the virtually negligible foreclosure rate on the approximately 20,000 loans made to date.

The report of the Veterans' Administration follows:

VETERANS' ADMINISTRATION,  
Washington, D. C., April 3, 1952.

HON. BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency,  
United States Senate, Washington, D. C.*

DEAR SENATOR MAYBANK: Further reference is made to your letter of February 21, 1952, requesting a report by the Veterans' Administration on H. R. 5893, Eighty-second Congress, an act to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

The purpose of H. R. 5893, as passed by the House of Representatives on February 19, 1952, is to amend section 513 of the Servicemen's Readjustment Act of 1944, as amended, by the addition of subsection (d) authorizing not to exceed \$125,000,000 additional for the revolving fund for the purpose of making direct home and farmhouse loans to veterans, subject to the requirement that not more than \$25,000,000 is to be made available during each quarter annual period until June 30, 1953, minus the amount of sales in the preceding quarter of previously made mortgages to private lending institutions pursuant to section 512 (d).

Whether or not it is intended to provide in this measure that the initial quarterly authorization, to be made between the date of enactment of the measure and July 1, 1952, would be subject to the deduction in the amount of funds returned to the revolving fund in the preceding quarter from sales of mortgages, as is prescribed for advances to be made in the quarter annual periods subsequent to July 1, 1952, is not entirely clear from a careful reading of the measure. It is suggested that the committee will desire to make the intent clear.

The program for direct loans was enacted by the Housing Act of 1950 (Public Law 475, 81st Cong., approved April 20, 1950), and provided the Administrator of Veterans' Affairs with temporary authority (through June 30, 1951), to make a maximum of \$150,000,000 in direct home and farmhouse loans to veterans in



#### 4 PROVIDE ADDITIONAL FUNDS FOR HOME AND FARMHOUSE LOANS

areas where loans from private lending sources are unobtainable at an interest rate not in excess of 4 percent per annum. This authority was extended from June 30, 1951, to June 30, 1953, by section 614 of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82d Cong., approved September 1, 1951), and the direct loan fund, while not increased, was reconstituted as a revolving fund, thus permitting additional loans to be made as the fund was augmented by repayments, prepayments and sales of mortgages to private lenders.

From the initiation of the direct loan program in July 1950 through February 29, 1952, the Veterans' Administration had approved 21,622 direct loans with an initial principal amount of \$142 million. An additional \$8.4 million had been reserved for loans in process, bringing the total amount reserved through February 29, 1952, to \$150.4 million. Principal repayments and sales credited to the revolving fund through the end of February 1952, totaled \$6.2 million so that the grand total available for allotment as of that date was \$156.2 million.

As of February 29, 1952, field offices with direct loan activities had disbursed or reserved direct loan funds in the total amount of \$150,442,489, leaving approximately \$5.8 million available for additional direct loans. However, since applications on hand for which reservations had not been made by February 29, 1952, amounted to an estimated \$16 million, it is apparent that present funds will soon be exhausted. Under the revolving fund feature of the law, principal repayments permit the making of new loans but funds from this source cannot be expected to average more than \$500,000 per month.

Accordingly, the ability of the Veterans' Administration to continue making direct loans in any significant volume will depend primarily upon the amounts recaptured through the sales of direct loans to private investors. The Veterans' Administration has initiated an active program to interest private investors in the purchase of these loans. Final procedures for effecting direct loan sales were distributed to Veterans' Administration regional offices on December 12, 1951, and a public announcement regarding the availability of such loans for purchase was made on December 20, 1951. The statistical record of the Veterans' Administration's efforts to sell direct loans, and thereby increase the funds available to make new direct loans, is still of relatively brief duration. It does, however, indicate a certain amount of lender interest which is at least mildly encouraging. Thus, through the end of February, the Veterans' Administration has sold direct loans in a dollar total of \$920,000, an additional \$430,000 was in process of closing, and lenders had tentative reservations for the purchase of additional loans totaling \$1 million. It is hoped that the rate of sales will pick up during the remainder of this fiscal year and also in fiscal year 1953, but it is still not possible to estimate the approximate magnitude which such sales will attain, in view of the relatively brief period during which the sales program has been in active operation. In the immediate period, at least, it is extremely unlikely that the sale of loans to private investors will be adequate to meet the expected demand for direct loans for veterans in view of the current state of the mortgage market.

In considering the proposal to increase the revolving fund as proposed by H. R. 5893, it is of basic importance to determine, to the extent foreseeable, the volume of direct loan applications by veterans in eligible areas which may be anticipated in the near future. While it is impossible to make any firm estimate of the future demands for direct loans a review of the rate at which funds have been reserved since the direct loan program was initiated gives at least some clue as to the prospective demand, subject to the assumption that there will be no major expansion in the areas eligible for direct loans.

During the 11-month period from the beginning of the direct loan program to June 30, 1951, direct loans approved by the Veterans' Administration totaled over \$105 million, an average of \$9.6 million per month. During the 4 months following the extension of the program on September 1, 1951, an additional \$42 million was reserved for direct loans, an average of \$10.5 million per month. During September and October reservations averaged \$17.5 million per month, although this average was undoubtedly inflated somewhat by the reprocessing of applications which were received prior to June 30, 1951, which could not be processed for approval prior to that expiration date. However, the volume dropped sharply to \$3.6 million in November and \$3.3 million in December, as many regions approached the maximum amounts allocated to them. The sharp decline in the volume of reserved funds continued into 1952 with reservations of \$2.2 million in January and only a little over \$800,000 for February. It would appear reasonable to assume from the foregoing that at least \$10 million per month will be needed to meet the probable demand by veterans in the rural and less populous

sections of the country eligible for direct loans. As heretofore indicated, the amounts paid into the revolving fund from principal repayments and from sales of loans to private investors will be inadequate to meet such demand at least in the few months immediately ahead.

Another factor to be considered in relation to this proposal is the outlook concerning the supply of private mortgage capital. In recent months the Veterans' Administration and many financial analysts have held the expectation that the market would improve in the reasonably near future so as to release a much greater supply of funds for mortgage lending than is now available. Some of the primary reasons for this expectation are (1) the gradual disappearance of the tremendous volume of mortgage commitments entered into by mortgage lenders in the latter part of 1950 and early 1951, (2) the marked rise in liquid savings flowing into mortgage lending institutions, and (3) an expected decline in the availability of mortgage investments because of existing mortgage credit controls and controls on the amount of materials available for building new housing. It has been felt that these primary factors and others would tend to increase the supply of money seeking outlet in mortgage investment, including VA-guaranteed loans which carry a maximum interest rate of 4 percent per annum. This included the hope that such an improvement in the mortgage money market would not only increase the supply of GI loans in areas not designated as eligible for direct loans, but would also make it easier for the Veterans' Administration to sell its direct loans which have been made in eligible areas in order to make effective the revolving principle of the present \$150 million direct loan fund.

It is now recognized that this expected trend has been halted somewhat by the uncertainty among lenders over the future structure of money yields which has been induced by the unanticipated softness recently apparent in the market demand for long-term Federal Government bonds. While it is still believed that the factors mentioned above will lead sooner or later to an improvement in the private mortgage money market, the fact remains that the availability of private mortgage capital for VA-guaranteed 4-percent loans has been greatly contracted in many communities of the United States. However, it is by no means true that the supply of private capital flowing into GI loans has virtually disappeared. Although the current monthly rate of GI home loan applications is substantially below the peak levels of 1950 when mortgage money was exceptionally easy to obtain, the Veterans' Administration is still receiving 25,000 to 30,000 GI home loan applications each month and this rate does not compare unfavorably with many past periods since the inception of the loan-guaranty program. Most of the loans involved are being originated in the larger towns and urban centers and approximately 20 percent of recent GI home loans has been provided through the utilization of Government funds expended by the Federal National Mortgage Association.

In this connection it would appear appropriate to state that the impending exhaustion of the funds of the FNMA will in all probability further complicate the tight GI loan situation existing in many communities and, in the immediate period at least, will very likely increase the strain upon the limited resources of the direct loan fund were the subject bill to become law. At the present time there is less than \$150,000,000 still available for general over-the-counter purchases which has not been earmarked or committed by FNMA. This limited fund is available for the purchase of FHA loans as well as GI 4-percent loans. Moreover, at the present rate of sales of mortgages to FNMA, it seems a foregone conclusion that very shortly FNMA will have no more funds to buy GI loans other than those which may stem from programed sales housing in defense areas. Regardless of the justification for allocating FNMA funds to get financing support to defense and military housing, the fact cannot be escaped that the use of FNMA funds for such purpose has virtually eliminated the efficacy of that market as a broad secondary market support for the GI 4-percent loan.

The foregoing views and comments are intended to present various considerations bearing on the question of increasing the revolving fund by not to exceed \$125,000,000 in the light of the fact that the Congress has already determined that the direct loan program should continue as a stand-by expedient for the additional temporary period ending June 30, 1953. It is pertinent also to comment briefly with respect to the relationship of the proposed additional direct loan fund to the general problem of inflationary pressures. It may well be argued that the provision of Government funds for this purpose, at this time, is inconsistent with the objective of restraining further credit expansion, particularly with Government exhortations to private lenders to curtail credit extension in many fields. On the other hand, the additional sums involved are relatively



## 6 PROVIDE ADDITIONAL FUNDS FOR HOME AND FARMHOUSE LOANS

small in terms of the total volume of mortgage credit and the increased funds would be confined to those areas where private capital is not available for VA-guaranteed 4-percent loans. It is noteworthy also that in the smaller towns and semirural communities in which this program is primarily operating the inflationary pressure upon available material and labor supply is not so pronounced.

The authorization of an increase in the direct loan fund would doubtless result in pressure upon the Veterans' Administration to extend the scope of eligible direct loan areas so as to include some urban and metropolitan areas not now eligible. Despite some pressure in that direction which has already occurred by reason of the generally tight mortgage situation, we have maintained the general policy of not designating the larger cities as eligible. It is believed that this policy is justified on several basic grounds. Private lenders are still making 4-percent loans available in substantial numbers, although at a reduced level from the 1950 peak rate, in most of the urban centers. The legislative background of the direct loan program reflected a strong congressional intent to make direct loan funds available to veterans living in smaller towns and communities where VA-guaranteed 4-percent loans have never been available in any significant quantity from private lenders. Moreover, the amount of money available in the direct loan fund is so limited in relation to the national demand for GI loans that even were the supply of GI 4-percent loans to disappear in metropolitan areas, the resources available to the fund would not make it possible to serve the needs of veterans in the larger towns and urban centers.

This would be true even if the revolving fund were increased as proposed by H. R. 5893. The validity of this conclusion is supported by the fact that during the years 1950-51 private capital was made available to veterans for GI loans at an average rate of approximately \$200 million per month. In view of all these considerations, and in order to effectuate the underlying purposes of the direct lending program, it would appear that the Veterans' Administration should continue its present policy in the selection of eligible direct loan areas even though additional amounts up to \$125,000,000 were added to the fund. The higher authorization would assist in meeting the expected demand for GI loans in the smaller towns and semirural areas but such a sum would be totally inadequate if it had to be made available also to the metropolitan and urban centers of the country. With respect particularly to these more populated areas, it is believed that the private capital supply for GI loans will begin to improve in 1952.

Due to the urgent request of the committee for a report on this measure, there has been insufficient time in which to ascertain from the Bureau of the Budget the relationship of the proposed legislation to the program of the President. Pertinent to this is the statement in the budget message of the President that "The estimates for 1953 assume that the sale of loans already made will provide adequate funds to meet the future need for new loans." It would therefore appear that in its present form this measure is more nearly in harmony with the President's budget message for the fiscal year 1953 than was H. R. 5893 as originally introduced.

Sincerely yours,

CARL R. GRAY, Jr., *Administrator.*

---

## CHANGES IN EXISTING LAW IN COMPLIANCE WITH THE CORDON RULE

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

### SECTION 513, PUBLIC LAW 346, SEVENTY-EIGHTH CONGRESS, AS AMENDED

(a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums, not in excess of \$150,000,000, as the Administrator shall request from time to time except that no sums may be made available after June 30, 1951. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit

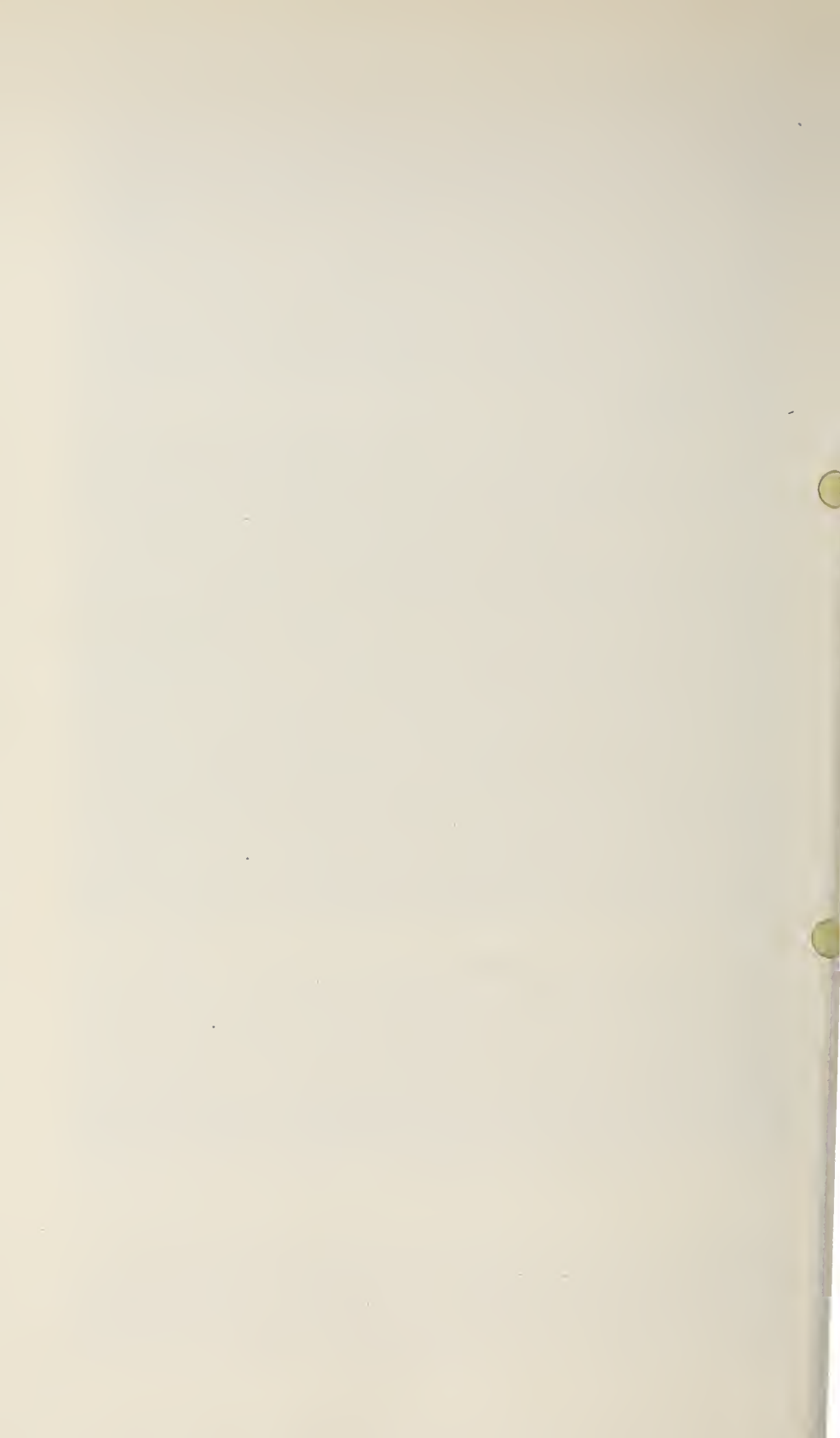


of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semiannually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance.

(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than June 30, 1952, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed and paid, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to such persons and such corporate or other agencies, including agencies of the United States, as he may designate.

(d) *For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until June 30, 1953 such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title.*



Calendar No. 1331

82<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5893

[Report No. 1403]

---

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 20 (legislative day, JANUARY 10), 1952

Read twice and referred to the Committee on Banking and Currency

APRIL 7 (legislative day, APRIL 2), 1952

Reported by Mr. MAYBANK, without amendment

---

## AN ACT

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That section 513 of the Servicemen's Readjustment Act of  
4        1944 is amended by adding the following subsection (d) :  
5        “(d) For the purposes of further augmenting the re-  
6        volving fund established in subsection (a) hereof the Sec-  
7        retary of the Treasury is authorized and directed between the  
8        effective date of this subsection and July 1, 1952, to make  
9        available to the Administrator such additional sums not in  
10        excess of \$25,000,000 as the Administrator may request, and  
11        is authorized and directed to advance from time to time



1 thereafter until June 30, 1953, such additional sums as the  
2 Administrator may request, provided that the aggregate so  
3 advanced in any one quarter annual period shall not exceed  
4 the sum of \$25,000,000 less that amount which had been  
5 returned to the revolving fund during the preceding quarter  
6 annual period from the sale of loans pursuant to section  
7 512 (d) of this title. Except for the limitation on the sums  
8 authorized in subsection (a) hereof, this subsection shall be  
9 subject to the other provisions of this section and of this  
10 title."

Passed the House of Representatives February 19, 1952.

Attest:

RALPH R. ROBERTS,

*Clerk.*



[Report No. 1403]

---

---

## **AN ACT**

---

---

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

---

---

FEBRUARY 20 (legislative day, JANUARY 10), 1952

Read twice and referred to the Committee on  
Banking and Currency

APRIL 7 (legislative day, APRIL 2), 1952

Reported without amendment



# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued April 8, 1952

For actions of April 7, 1952

82nd-2nd, No. 58

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

## CONTENTS

Appropriations.....	3,5,10	Foot-and-mouth disease	19,22,32	Prices, farm.....	15
Budgeting.....	7	Forest fires.....	2	Property.....	11
Cocomut-oil imports.....	1	Forestry.....	12	Research.....	19,22,32
Cotton.....	4,25	Import controls.....	31	Retirement benefits..	28
Daylight-saving time.....	26	Import quotas.....	20	St. Lawrence seaway..	16
Electrification.....	15,24	Loans, farm.....	3,9	Soil conservation....	15
Emergency powers.....	8	Loyalty investigations.....	27	Submarginal lands....	21
Farm program.....	15	Marketing.....	29	Textiles.....	23
Federal employment.....	18	Mineral rights.....	21	Trade agreements.....	30
Figs.....	20	Newsprint.....	17	Virgin Islands.....	14
Flood control.....	5,13	Personnel investigations...	33	Water compact.....	6
		Price supports.....	4		

**HIGHLIGHTS:** House committee reported bill to increase cotton price supports. House passed bill to reduce cocomut-oil tariff for Pacific trust territory. House passed bill to permit Canada to enter forest-fire protection compact. House debated defense appropriation bill. Senate debated bill to create joint budget committee. Senate committee reported bill for additional VA home and farmhouse loans.

## HOUSE

- ~~1. COCONUT-OIL IMPORTS. Passed without amendment H. R. 7188, to exempt cocomut oil derived from copra originating in the Trust Territory of the Pacific Islands from the additional processing tax of 2 cents a pound imposed by Sec. 2470 (a) of the Internal Revenue Code (pp. 3664-5).~~
- ~~2. FOREST FIRES. Passed as reported H. R. 4764, granting the consent and approval of Congress to the participation of certain Provinces of Canada in the North-eastern Forest Fire Protection Compact (pp. 3666-7).~~
- ~~3. DEFENSE DEPARTMENT APPROPRIATION BILL, 1953. Began debate on this bill, H. R. 7391 (pp. 3669-708).~~
- ~~4. COTTON PRICE SUPPORTS. The Agriculture Committee reported with amendment H. R. 5713, to increase cotton price supports on the 1952 crop if the production goal is met (H. Rept. 1724)(p. 3711).~~
- ~~5. FLOOD CONTROL. Rep. Lovre, S. Dak., spoke in favor of additional flood-control appropriations for the Army Department (pp. 3668-9).~~
- ~~6. WATER COMPACT. The Interior and Insular Affairs Committee reported with amendment H. R. 4628, granting the consent of Congress to a compact entered into by Okla., Tex., and N. Mex. relating to Canadian River waters (H. Rept. 1725)(p. 3711).~~

## SENATE

7. **BUDGETING.** Began debate on S. 213, to amend the Legislative Reorganization Act of 1946 to provide for the more effective evaluation of the fiscal requirements of the executive agencies (pp. 3630-47, 3649-54, 3657-9).
8. **EMERGENCY POWERS.** Received the President's message urging extension of certain emergency powers (including a provision for veterans' preference for one type of farm loan) for a 60 day period after the Japanese peace treaty becomes effective (pp. 3617-8).
9. **FARM LOANS:** The Banking and Currency Committee reported without amendment H. R. 5893, which would provide additional funds to the Veterans Administration for direct home and farmhouse loans to eligible veterans (Rept. 1403) (p. 3620).
10. **APPROPRIATIONS.** The Appropriations Committee began the mark-up of H.R. 6947, the third supplemental appropriation bill for 1952. (p. D317).
11. **PROPERTY.** Both Houses received the Budget Bureau's report on the reassignment and transfer of property within executive agencies where the reassignments and transfers are between activities financed by different appropriations (pp. 3618, 3710).
12. **FORESTRY.** Received California State legislature joint resolutions urging enactment of H. R. 565, which would permit the Secretary of Agriculture to spend 10% of national forest receipts for development, maintenance, and operation of recreational resources and areas and sanitation facilities in national forests; and repeal of that proviso of Public Law 135, 82nd Congress, requiring local contributions for range improvement in national forests and to permit expenditure of appropriations for this purpose without such contribution (pp. 3618-9).
13. **FLOOD CONTROL.** Received a Los Angeles Council resolution protesting proposed reduction of Federal funds for flood control work in the Los Angeles area. (p. 3619).
14. **VIRGIN ISLANDS:** Received petition from the Virgin Islands Legislative Assembly relating to restoration of funds for agriculture station in Virgin Islands (p. 3619).
15. **FARM PRICES; ELECTRIFICATION; FARM PROGRAM.** Sen. Humphrey inserted various resolutions of the stockholders of Farmers Union Central Exchange, Inc., recommending revision of the sliding scale parity formula to permit farmers to receive 100 percent of parity on all farm products; urging necessary administrative funds to RRA; supporting commodity loans, and soil conservation payments; and opposing transfer of Farm Credit Administration from USDA (p. 3620).
16. **ST. LAWRENCE SEAWAY.** Sen. Humphrey inserted resolution from the above-mentioned organization recommending joint construction of the seaway project by this country and Canada (p. 3620).  
 Sen. Wiley inserted various letters and resolutions favoring joint construction of this project by this country and Canada and a letter from the executive director of the Canadian Federation of Mayors and Municipalities stating Canada's intention to construct an all-Canadian seaway if the United States does not join them in this project (pp. 3625-6).
17. **NEWSPRINT:** Sen. Humphrey submitted a report and conclusions of the Select Committee on Small Business relating to newsprint (p. 3621).



"Whereas H. R. 565 is entitled 'A bill relating to the disposition of moneys received from the national forests'; and

"Whereas H. R. 565 is of vital importance to the United States and the State of California because its enactment would permit the Secretary of Agriculture to expend 10 percent of national forest receipts for the development, maintenance, and operation of recreational resources and areas and sanitation users in the national forests; and

"Whereas the development, maintenance, and operation of recreational resources and areas and sanitation uses in our national forests is urgently needed at the present time because heavy public use of the national forests in the United States, and in the State of California has been increasing tremendously in recent years, resulting in the overtaxing of many national forest recreation facilities, and impairing the complete utilization and enjoyment of our national forests: Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States is hereby respectfully memorialized and requested to enact H. R. 565 without further delay; and be it further*

*"Resolved, That the secretary of the senate is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, the chairman and each member of the House Committee on Agriculture, and to each Senator and Representative from California in the Congress of the United States."*

#### "Senate Joint Resolution 10

"Joint resolution relative to Federal funds for range improvement in national forests

"Whereas the Congress of the United States provided in Public Law 478, approved April 24, 1950, that out of the moneys received from grazing fees on each national forest during each fiscal year there shall be available, when appropriated by Congress, an amount equal to 2 cents per animal-month for sheep and goats and 10 cents per animal-month for other kinds of livestock under permit on such national forest in which the fiscal year begins, for expenditure for (1) artificial revegetation, including the collection or purchase of necessary seed, (2) construction and maintenance of drift or division fences and stockwatering places, bridges, corrals, driveways, or other necessary range improvements, (3) control of range-destroying rodents, or (4) eradication of poisonous plants and noxious weeds, in order to protect or improve the future productivity of the range; and

"Whereas by Public Law 135, approved August 31, 1951, Congress appropriated \$700,000 for such purposes, to remain available until expended, but attached to this appropriation a proviso that no part thereof shall be available in any national forest in excess of three times the amount available for such forest from sources other than Federal sources; and

"Whereas there appears to be no logical or plausible reason for the requirement that additional funds from local sources be contributed for expenditure for range improvement in and upon the national forests: Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States is hereby respectfully memorialized and requested to amend Public Law 135, 1951, to repeal the proviso requiring local contributions for range improvement in national forests and to permit the immediate expenditure of the appropriation made for that purpose without requiring such contribution; and be it further*

*"Resolved, That the Congress of the United States is requested to eliminate any requirement for local contributions in appropriations hereafter made for range improvement in the national forests; and be it further*

*"Resolved, That the secretary of the senate is instructed to transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Agriculture, to the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States."*

Two resolutions adopted by the Association of the Oldest Inhabitants of the District of Columbia, relating to appropriations for the District of Columbia; to the Committee on Appropriations.

A resolution adopted by the Council of the City of Los Angeles, Calif., protesting against a proposed reduction of Federal funds to be expended for flood control work in the vicinity of Los Angeles; to the Committee on Appropriations.

A cablegram in the nature of a petition from Alva C. McFarlane, chairman, Legislative Assembly of the Virgin Islands, relating to the restoration of funds for an agricultural station in the Virgin Islands; to the Committee on Appropriations.

A resolution adopted by the City Council of the City of Minneapolis, Minn., favoring the enactment of legislation to provide additional funds for Federal housing in the State of Minnesota; to the Committee on Banking and Currency.

A telegram in the nature of a memorial from the Chinese Six Companies' Anti-Communist League, San Francisco, Calif., signed by W. F. Doon, chairman, Robert S. Lee and Fong Chee, vice chairmen relating to the exclusion of Nationalist China from the Japanese Peace Treaty conference, and so forth; to the Committee on Foreign Relations.

A letter in the nature of a memorial from Monongalia, Post No. 2, the American Legion, Morgantown, W. Va., signed by J. Meredith Pauley, commander, remonstrating against the enactment of the bill (S. 1140) to establish and to consolidate certain hospital, medical, and public-health functions of the Government in a Department of Health; to the Committee on Government Operations.

A resolution adopted by the board of directors of the Chamber of Commerce, of Puerto Rico, San Juan, P. R., relating to the Constitution of the Commonwealth of Puerto Rico; to the Committee on Interior and Insular Affairs.

Petitions of Charles H. Stoutenbrugh, of Malverne, Long Island, N. Y., James A. McDonnell, of South Amboy, and Genevieve H. Wiley, of Rutherford, both in the State of New Jersey, relating to the modernization of the railroad retirement system; to the Committee on Labor and Public Welfare.

A resolution adopted by the City Council of the City of Seattle, Wash., favoring the enactment of legislation confirming and establishing the title of the States to lands beneath submerged lands; ordered to lie on the table.

A letter in the nature of a memorial from Chapter No. 6, Disabled American Veterans, Sacramento, Calif., signed by Ross A. Whitsel, adjutant, remonstrating against the enactment of House bill 4394 to provide certain increases in the monthly rates of compensation and pension payable to veterans and their dependents; ordered to lie on the table.

The petition of Minnie Keenan, of Rochester, N. Y., praying for the enactment of House bill 4387, to increase the annual-income limitations governing the payment of pensions to certain veterans and their dependents, and to preclude exclusions in determining annual income for purposes of such limitations; ordered to lie on the table.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolutions memorializing Congress relative to the investigation of the Katyn Forest massacre, so-called

"Whereas there is now under congressional investigation certain events involving the mass murder of thousands of Polish prisoners of war in Katyn Forest, near Smolensk in Russia, during the year 1940; and

"Whereas it is of vital interest to the entire civilized world that the facts of these mass killings be verified and the responsibility therefore be definitely established; and

"Whereas there have been conflicting charges and countercharges by two nations involved in World War II relative to the responsibility for this crime against Poland; and

"Whereas evidence has been introduced during the present investigation that certain intelligence reports relating to the Katyn Forest killings were withheld by high military officials from the American public during World War II and the postwar years: Now, therefore, be it

*"Resolved, That the General Court of Massachusetts looks with great concern upon disclosure made by this investigation and respectfully urges the Congress of the United States to press the investigation to the fullest extent possible in order that the responsibility of all countries and persons involved will be definitely established and the truth about the Katyn Forest massacre be determined; and be it further*

*"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth."*

#### STANDING ROCK COMMUNITY HIGH SCHOOL, FORT YATES, N. DAK.— LETTER AND RESOLUTION

Mr. LANGER. Mr. President, I have received a letter from Jack Williams, adjutant, the American Legion, Department of North Dakota, Fargo, N. Dak., transmitting a resolution adopted by the Albert Grass Post, No. 173, relating to the facilities at the Standing Rock Community High School, at Fort Yates, N. Dak. I ask unanimous consent that the letter and resolution be printed in the RECORD and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

AMERICAN LEGION,  
DEPARTMENT OF NORTH DAKOTA,  
Fargo, N. Dak., April 3, 1952.

HON. WILLIAM LANGER,  
Senate Office Building,  
Washington, D. C.

DEAR BILL: I am enclosing resolution as passed by the Albert Grass Post, No. 173, the American Legion, Fort Yates, which is self-explanatory. I heartily agree with the statements contained in the resolution since I personally have had the opportunity to inspect the school facilities at Fort Yates.

I will appreciate anything you can do to see that the requests in the resolution are granted.

With kindest personal regards, I am,  
Sincerely yours,

JACK WILLIAMS,  
Department Adjutant.



Whereas the Albert Grass Post, No. 173, American Legion, Department of North Dakota and located at Fort Yates, N. Dak., is a duly chartered and recognized post of the American Legion; and

Whereas, in its regular meeting held on March 10, 1952, the serious inadequate facilities of the Standing Rock Community High School, a federally operated school located at Fort Yates, N. Dak., was discussed; and

Whereas the Federal Government has assumed the responsibility of providing adequate educational facilities because of the large Indian enrollment and tax-free land located within the enrollment area of the Standing Rock Community High School; and

Whereas the present high school was constructed in 1939, but not completed; and

Whereas the limited facilities available for the physical education program was destroyed by fire on February 2, 1946, leaving the school without any facilities whatsoever; and

Whereas the facilities for adequate vocational training have never been provided; and

Whereas the dining-room facilities and lunch preparation are under serious criticism from State health authorities; and

Whereas the Standing Rock Community School is a fully accredited school at this time, but have been advised by the State department of education that its accreditation is in serious jeopardy because of the lack of the afore-mentioned facilities; and

Whereas all the other high schools in the State have been provided the necessary facilities to meet the accreditation standards; and

Whereas the Standing Rock Community School has an enrollment of approximately 300 students, Indian and non-Indian children; and

Whereas the American Legion feels that this lack of facilities for the Indian youth may be interpreted as discriminatory against a minority group of youngsters, most of whom are sons and daughters of war veterans; and

Whereas we have been informed that building material will be made available for the construction of necessary institutional buildings; and

Whereas we have been informed that the Indian Office is well aware of these needs and have submitted requests for authority and appropriations to complete this present school plan at various times: Now, therefore, be it

*Resolved*, That the Albert Grass Post, No. 173, American Legion, recommends that the Standing Rock Community High School Building be completed with Federal funds at the earliest possible date by an addition that will adequately meet the educational needs of the community; and be it further

*Resolved*, That the Senators and Representatives of the State of North Dakota be requested to exert every effort to bring about the culmination of this project, even to the extent of introducing special legislation if necessary.

Now we therefore declare that this was passed by a unanimous ballot of the meeting of March 10, 1952, by the Albert Grass Post, No. 173, American Legion, Fort Yates, N. Dak.

DOUG SKYE,  
Commander, Albert Grass Post, No.  
173, American Legion, Fort Yates,  
N. Dak.

#### RESOLUTIONS OF STOCKHOLDERS OF FARMERS UNION CENTRAL EXCHANGE, INC.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed

in the RECORD, a series of resolutions adopted at the twenty-first annual meeting of stockholders of the Farmers Union Central Exchange, on March 5, 1952.

There being no objection, the resolutions were ordered to be printed in the RECORD, and referred, or to lie on the table, as follows:

To the Committee on Agriculture and Forestry:

#### "PARITY"

"Whereas the past 20 years has proven beyond any doubt that a sound national economy is built on a prosperous agriculture; and

"Whereas to continue this and to enable the American farmer to produce the food and fiber needed by our ever-increasing population and so that the living standards and morale of the American people are not lowered; and

"Whereas statistics show that forcing farmers to produce below costs does not materially reduce the prices the consumer is forced to pay for the needs of life: Now, therefore, be it

*Resolved*, That this gathering of stockholders recommend to the Congress of the United States a revision of the Aiken-Anderson sliding scale parity formula so that American farmers can receive 100 percent of parity on all farm products."

*Resolved*, That this convention endorse continued protection of family-sized farms, support of commodity credit loans, agricultural conservation payments for soil conservation and continued administration of these programs by county and community elected committeemen. We also favor further development of Federal crop insurance so that all farmers have the opportunity to protect their investment in producing food and fiber to fill the consumers' needs."

"Whereas the Farm Credit Administration within the Department of Agriculture has performed a valuable service in meeting the special needs of agricultural credit; and

"Whereas we are opposed to any and all efforts to take the Farm Credit Administration out of the Department of Agriculture or to cripple its effectiveness: Now, therefore, be it

*Resolved*, That we believe the administration of farm credit policies belongs under the same department that has the responsibility of production and marketing programs for farmers."

To the Committee on Appropriations:

#### "RURAL ELECTRIFICATION ADMINISTRATION"

"Whereas the Rural Electrification Administration has made an enviable record getting electric power to the rural people of the United States; and

"Whereas there are still a large number of our farmers who have not received electricity and this program will not be complete until we have 100 percent of our farms electrified; and

"Whereas the rural electrification program has been hampered by the Congress in the last 3 years when they failed to provide the necessary administration funds to properly administer this program causing unnecessary delays in processing new loans to the cooperatives; and

"Whereas the rural telephone program is being administered by the Rural Electrification Administration and this program is just starting, and the agency will need administrative funds in order for rural people to construct the necessary lines and exchanges the way they wish to in the shortest possible time: Now, therefore, be it

*Resolved*, That we urgently request the Congress of the United States to appropriate the necessary administrative funds in addition

tion to the loan funds for these very important programs."

To the Committee on Foreign Relations:

#### "GREAT LAKES-ST. LAWRENCE SEAWAY"

"Whereas the Canadian Government has stated that they will build the Great Lakes-St. Lawrence seaway themselves if the United States Government will not participate in its construction; and

"Whereas the most advantageous and practical method is for these two great countries of this hemisphere to work together in this most important development which will give the United States and Canada an inland ocean that can be defended in case of war besides giving the great industrial centers in the Middle West ocean harbors; and

"Whereas the United States is lacking in the necessary electrical power to furnish new industries with ample electricity, the power potential of this development is great enough to furnish the eastern part of the United States and Canada with enough power to alleviate this shortage; and

"Whereas the project can be made self-liquidating through tolls of shipping and sales of electrical energy, and this project should be considered as a capital investment in addition to being for the good of the people and the United States in general: Now, therefore, be it

*Resolved*, That we recommend to the Congress of the United States that they immediately enter into treaty and an agreement with Canada to construct this great project for the mutual benefit of both nations; and be it further

*Resolved*, That a copy of this resolution be airmailed to the chairman of the Committee on Foreign Relations of the United States Senate, Senator TOM CONNALLY; and to the United States Senators from the States of Wisconsin, Montana, Minnesota, North Dakota, and South Dakota."

To the Committee on Public Works:

#### "RIVER DEVELOPMENT"

*Resolved*, That we endorse the continuation of the public power program and further construction of multiple-purpose dams to be administered along the lines of Tennessee Valley Authority; and be it further

*Resolved*, That a copy of this resolution be forwarded to the United States Senators from the States of Wisconsin, Montana, Minnesota, North Dakota, and South Dakota."

Ordered to lie on the table.

#### "TIDELANDS"

"Whereas we deem the offshore oil resources of the United States the property of all the people; and

"Whereas there appears to be a disregard on the part of certain States for the clear intent of the Supreme Court ruling on this matter; and

"Whereas this vital issue is now before the Senate of the United States: Be it therefore

*Resolved*, That the delegate body here assembled record themselves as being opposed to any change in the status of tidelands oil resources; and be it further

*Resolved*, That copies of this resolution be transmitted at once to the members of the United States Senate from the States of Minnesota, Montana, North Dakota, South Dakota, Wisconsin, and Wyoming."

#### REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAYBANK, from the Committee on Banking and Currency:

H. R. 5893. A bill to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended; without amendment (Rept. No. 1403).







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued April 10, 1952  
For actions of April 9, 1952  
32nd-2nd, No. 60

## CONTENTS

Adjournment.....6	Extension work.....20	Reclamation.....14,22,28
Appropriations.....1,26	Flood control.....13,25	Reorganization.....10
Clover seed.....27	Foreign aid.....3	St. Lawrence waterway....17
Defense production.....15	Import controls.....18	Tariffs.....27
Disbursements.....23	Investigations.....4	Transportation.....21
Education.....5	Land transfers.....12	Travel.....11,24
Emergency powers.....8	Loans, farm.....7,8	Steel dispute.....2,9
Expenditures.....16	Price supports.....19	Water utilization..14,22,28

**HIGHLIGHTS:** Senate passed bill for additional VA loans under Servicemen's Readjustment Act. Senate passed measure to continue certain emergency powers (including one on farm loans), and House concurred in Senate amendment. House passed measure continuing appropriations pending enactment of 3rd supplemental bill. House passed defense appropriation bill. Both Houses received President's message on steel dispute.

## HOUSE

- 1. APPROPRIATIONS.** Passed without amendment H. J. Res. 426, to make items in the third supplemental appropriation bill, as passed the House, available until enactment of the bill or May 31, whichever is earlier (pp. 3907-8).  
Passed with amendments the Defense Department appropriation bill, H. R. 7391 (pp. 3908-56).  
Rep. Cannon inserted a table showing House action on the various appropriation bills this year (p. 3957).
- 2. STEEL DISPUTE.** Both Houses received the President's message regarding temporary Government operation of the steel plants (H. Doc. 422)(pp. 3962-3, 3837).
- 3. FOREIGN AID.** Rep. McCormack inserted the President's message on progress under the Point-4 program (pp. 3903-4).
- 4. INVESTIGATIONS.** Rep. Van Zandt, Pa., inserted a list of congressional investigations as of Mar. 1952 (p. 3961).
- 5. EDUCATION.** The House Administration Committee reported a resolution for printing the committee print, "Federal Educational Activities and Educational Issues Before Congress," as a House document (p. 3967).
- 6. ADJOURNMENT.** Agreed to a concurrent resolution providing that the House adjourn from today (at the close of business) until Apr. 22 (p. 3959).

## SENATE

7. FARM LOANS. Passed without amendment H. R. 5893, to make available additional funds not over \$125,000,000 to provide for additional direct loans under the Servicemen's Readjustment Act in areas where VA-guaranteed 4-percent interest loans are not available from private sources (pp. 3861-2). This bill will now be sent to the President.
8. EMERGENCY POWERS. Passed H. J. Res. 423, to continue certain emergency powers after effectuation of the Japanese treaty (including a provision for veterans' preference on certain farm loans), with an amendment making the termination date June 1 instead of July 1 (pp. 3866-9). Later in the day the House concurred in the Senate amendment (pp. 3957-9). This measure is a stop-gap to keep these powers from expiring while consideration is being given to a longer extension of some of the provisions. The proposal will now be sent to the President.
9. STEEL DISPUTE. Sen. Schoeppel inserted an article by F. H. Sennauer, "The Farmer's Stake in the Steel Wage Controversy" (pp. 3869-70).
10. REORGANIZATION. Passed without amendment S. 1139, making uniform provisions for terms of office, manner of removal, etc., in connection with independent regulatory commissions, pursuant to recommendations of the Hoover Commission (pp. 3858-61).
11. TRAVEL. Passed without amendment S. 2545, to permit the advance or payment of travel and subsistence expenses to Federal personnel by one agency and reimbursement by another agency (pp. 3855-6).
12. LAND TRANSFERS. Sen. Morse spoke in support of his formula limiting the transfer of Federal land and related property (p. 3855).
13. FLOOD CONTROL. Passed without amendment H. J. Res. 350, to extend the time of authorization for certain projects for local flood protection in the Tennessee River Basin (p. 3851). This bill will now be sent to the President.
14. RECLAMATION. Sen. Watkins criticized the Interior Department for postponing the Colorado River project and urging the Hells Canyon project (p. 3850).
15. DEFENSE PRODUCTION. Sen. Bricker claimed "arrogant and autocratic orders" are being issued under the Defense Production Act (pp. 3842-3).
16. EXPENDITURES. Sen. O'Connor commended Sen. Byrd for his efforts to get economy in Government expenditures (pp. 3840-1).
17. ST. LAWRENCE WATERWAY. Sen. Wiley inserted a Superior Cooperative Association resolution favoring this proposed project (p. 3838).
18. IMPORT CONTROLS. Sen. Schoeppel inserted a dairy cooperative letter favoring continuation of Sec. 104 of the Defense Production Act (p. 3838).

## BILLS INTRODUCED

19. PRICE SUPPORTS. S. 2996, by Sen. Kerr, "to amend the Agricultural Act of 1949"; to Agriculture and Forestry Committee (p. 3839).
20. EXTENSION WORK. H. R. 7461, "to provide for the further development of cooperative agricultural extension work"; to Agriculture Committee (p. 3968).



order that there can be no foundation for any statement that the Congress, the committee, or the subcommittee has in any way neglected its duties or responsibilities.

The subcommittee on reorganization had previously scheduled tentative hearings on a bill, S. 1151, providing for the reorganization of the Veterans' Administration, to be held around the middle of February. The House Committee on Veterans' Affairs announced, however, that it was holding hearings on a companion bill, and the subcommittee, therefore, decided to defer action on this bill until it had disposed of some of the other measures and the House Committee had completed its hearings. It is expected that the subcommittee will hold hearings on S. 1151 as soon as it can dispose of S. 1140.

This leaves a residue of two bills, S. 1150, Department of the Treasury, and S. 1143, Department of the Interior. Many of the proposals made in the bill, S. 1150, have already been considered in detail by the Committee on Government Operations or by the Congress. These actions include the proposed creation of an Accountant General in the Treasury Department, the transfer of RFC, FDIC, and the Export-Import Bank to the Treasury Department, and the purchase of blanket or position schedule bonds for Federal employees by the Government. One aspect of another provision, relating to reorganization and the creation of a Revenue Service in the Treasury Department, combining the Bureaus of Internal Revenue and Customs, was also incorporated in Reorganization Plan No. 1 of 1952, to reorganize the Bureau of Internal Revenue which became effective on March 15, 1952. But despite the fact that many phases of the bill will have received previous consideration and will have been acted upon by this or some other committee, the Subcommittee on Reorganization expects to hold hearings on this bill in order that all its provisions may be fully considered and acted upon.

The final bill, S. 1143, relating to the reorganization of the Department of the Interior, contains one of the most controversial of all issues coming out of the Hoover Commission recommendations, the transfer of the civil functions of the Corps of Engineers from the Department of the Army to the Department of the Interior. There is widespread opposition to this proposal and indications are that extensive hearings will be necessary in order that the subcommittee may develop all of the facts. Particularly at this time, the administration of the civil functions of the Corps of Engineers, which is proposed to be transferred from the Department of Defense, must be carefully evaluated in relation to its operations under the defense program.

Other aspects of the proposed reorganization of the Department of the Interior are being or have been considered by the Committee on Government Operations and other committees, including the creation of a Water Development and Use Service and a Buildings Construction Service. Since the subcommittee is of the opinion that this bill is of such magnitude in its coverage, involves so many extraneous issues which overlap the jurisdiction and policy determinations of other committees in the Congress, such as Interior and Insular Affairs and Public Works, and will conflict with other proposed construction and water resources and development programs, the Subcommittee and the full Committee on Government Operations will find it necessary to devote a great deal of time and study to the bill before final action may be taken.

As will be seen from the above facts, the Committee on Government Operations has devoted much of its time and efforts toward a full evaluation of all the recommendations contained in the Hoover reports and legis-

lation referred to it which would give legislative sanction to these reorganizations. The committee will continue these studies and expects to give all agencies, organizations, and individuals a full opportunity to have their views recorded for or against all reorganization proposals now pending before the committee.

I am submitting this preliminary report to the Senate in order that Members of this body may have the facts regarding action taken insofar as the jurisdiction of the Committee on Government Operations is concerned up to this time. I have also endeavored to outline the remaining proposals dealing with this important work and wish to assure Members of the Senate that the Subcommittee on Reorganization will continue, as it has in the past, to devote its efforts toward the activation of desirable reorganizations in the executive branch based on the recommendations of the Hoover Commission.

Your committee's objective is to fully evaluate all those proposals of the Hoover Commission, and to take action on its recommendations when, in the opinion of the committee, they will improve the administration and efficiency of the Federal Government, or effect economies in its operations.

#### DIRECT HOME AND FARMHOUSE LOANS TO ELIGIBLE VETERANS

The bill (H. R. 5893) to make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans under title III of the Servicemen's Readjustment Act of 1944, as amended, was announced as next in order.

#### THE SEIZURE OF THE STEEL INDUSTRY

Mr. IVES. Mr. President, I should like to take opportunity thus afforded to me to make a very brief statement on an aspect of the steel industry seizure which I do not believe has received the attention to which it is entitled.

There are hundreds of thousands of workers in the steel plants, many of whom are in my own State of New York. These steel workers and other employees of the steel companies have, under State laws, enjoyed down to last midnight the protection of workmen's compensation for injuries they incurred in the course of their employment. In New York State, as also in California and New Jersey, the workers enjoy also the protection of insurance benefits for non-occupational temporary disabilities.

Under Presidential seizure during World Wars I and II, there was confusion with regard to the workmen's compensation rights of workers in the seized plants with respect to accidents that occurred after the seizure became effective. When Montgomery Ward was seized in 1944, the Federal Government took out a policy of workmen's compensation insurance on a voluntary basis, and the insurance companies in that policy waived the issue of State jurisdiction with respect to workmen's compensation claims. This prompt action of the Federal Government in the Montgomery Ward situation helped to avoid confusion, so that employees did not find themselves helpless in asserting their

State workmen's compensation claims under Federal operation.

Unless the Secretary of Commerce has already done so, Mr. President, I believe that he should very promptly take out voluntary insurance coverage for workmen's compensation in the seized plants; and, with respect to the States with cash sickness benefit laws, he should bind coverage for those claims, as well. Unless he does this, there is certain to be confusion among the workers in the steel plants and needless deprivation of social insurance rights to which they have become accustomed and to which they are morally entitled, notwithstanding legal barriers that may be raised under the seizure.

Under our New York State laws the sickness benefits of the steel workers are, for the most part, benefits that have been negotiated through collective bargaining with their employers. These benefits are insured with insurance companies on such terms that the question as to whether the carrier is liable, if the employees are indeed now employees of the Federal Government, naturally arises.

Workmen's compensation is a program with which I was much concerned when I was a member of the New York Legislature. This form of insurance and the newer disability benefits in force there constitute sound methods of social insurance for workers. No hasty action by the Chief Executive should be permitted to impair them.

#### DIRECT HOME AND FARMHOUSE LOANS TO ELIGIBLE VETERANS

Mr. HENDRICKSON. Mr. President, I renew my request for an explanation of House bill 5893, Calendar 1331.

The PRESIDING OFFICER. Is there present in the Chamber a Senator who can give an explanation of this bill?

Mr. HENDRICKSON. If no Senator who can explain this bill is present at this time, under the circumstances I ask that the bill go to the foot of the calendar. I hope some Senator will ultimately be present to explain the bill.

The PRESIDING OFFICER. That will be done, and we shall await an explanation.

The Chair sees the Senator from South Carolina [Mr. MAYBANK], chairman of the Banking and Currency Committee, entering the Chamber. Does the Senator from New Jersey wish to ask at this time for an explanation of House bill 5893?

Mr. HENDRICKSON. Yes, Mr. President; I ask for an explanation of the bill at this time.

The PRESIDING OFFICER. Very well; the Chair recognizes the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I am sorry that I was not in the Chamber when the request for an explanation was made. I was in the Appropriations Committee in connection with its action on the supplemental appropriation bill.

I may say to the Senator from New Jersey that House bill 5893 was unanimously reported by the Banking and Currency Committee at its last meeting, last Tuesday.



The bill would make available additional funds not to exceed \$12,000,000 to provide for the making of additional direct loans under the Servicemen's Readjustment Act in areas where VA-guaranteed 4-percent loans are not available from private sources.

The stand-by direct loan program of the Veterans' Administration was originally recommended by your committee when it reported the Housing Act of 1950. The program was authorized in recognition of the fact that many World War II veterans, particularly those living in smaller towns and in semirural areas, were unable to find private lenders willing to make VA-guaranteed 4-percent home loans. The strictly stand-by and supplemental character of the direct-loan program was underscored by requirements in the law that the Administrator could make direct loans available only in those areas where private capital is not available for GI 4-percent loans, and that the veteran show that no private lender in the community is willing to make him a GI 4-percent loan. The basic purpose of the law has been faithfully administered and has fulfilled a real service in meeting the needs of veteran home buyers who do not live in the larger urban sections of the country where private capital for VA-guaranteed 4-percent loans has been relatively in better supply.

The present resources of the fund are virtually exhausted and the Veterans' Administration is unable to meet the demand for direct loans in the areas now designated as eligible. The Senator from South Carolina is hopeful that the additional funds provided by this bill will serve to meet most of the expected demand for direct loans in the designated areas.

This bill does not provide for making available the full \$125,000,000 immediately. It would employ a method which would spread the funds out over the life of the direct-loan program which expires June 30, 1953. The sum of \$25,000,000 would be made immediately available between the date of passage of the bill and July 1, 1952, and thereafter a maximum of \$25,000,000 per calendar quarter would be made available. However, the \$25,000,000 which is made available each quarter is to be reduced by the dollar amount of sales of direct loans made in the preceding quarter. Thus, the amount of new borrowing from the Treasury will be directly reduced below the \$25,000,000 per quarter maximum to the extent that the Veterans' Administration is successful in selling direct loans previously made to private lending institutions in the preceding quarter.

In the wording of the bill (H. R. 5893) as referred to the committee, there was some question as to whether the initial \$25,000,000 to be made available between the date of passage and July 1, 1952, is to be reduced by direct-loan sales in the preceding 3-month period. We considered that question and believe that the phrasing of the bill is sufficiently clear to express the legislative intent that the initial \$25,000,000 sum should not be

made subject to the deduction of previous sales.

I wish to emphasize that the additional direct loans which would be made possible by this bill, as are those heretofore made, will be confined generally to the nonmetropolitan areas of the country so that nearly all direct loans will be made in the smaller towns and rural areas of the country.

I should like to point out, Mr. President, that the record of defaults on loans made has been less than one-tenth of 1 percent—in fact it may be as low as one-one hundredth of 1 percent.

I should like further to point out that when the Government makes a loan under these circumstances, there is a profit to the Government, in view of the fact that the interest rate charged on the loan by the Government is greater than the interest rate the Government has to pay on money it borrows.

The situation is that in various rural areas and semirural areas and other communities the banks do not have the funds available for making such loans.

As I have said, the record of repayment has been virtually perfect.

The committee was unanimously in favor of the bill. While the committee did not hold any hearings on this bill, the chairman received representations from the veterans' organizations, including the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and other interested groups. They urged very strongly that such loans are necessary for those veterans in areas where no GI mortgage funds are available.

I have previously stated that the record will show that less than one-tenth of 1 percent of the loans which have been made are in default.

Mr. HENDRICKSON. I thank the Senator from South Carolina, and I believe the bill is a good one.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 5893, Calendar No. 1331?

There being no objection, the bill—H. R. 5893—to make additional funds available to the Administrator of Veterans' Affairs for direct home and farm-house loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended, was considered, ordered to a third reading, read the third time, and passed.

#### PAULA SLUCKA (SLUCKI) AND ARIEL SLUCKI

The Senate proceeded to consider the bill (S. 997) for the relief of Paula Slucka (Slucki) and Ariel Slucki, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 10, after the word "deduct", to strike out "one number from the appropriate quota for the first year that such quota is available" and insert "the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available," so as to make the bill read:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Paula Slucka (Slucki) and Ariel Slucki shall

be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to each such alien as provided for in this act, the Secretary of State shall instruct the proper quota officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### DR. NICOLA M. MELUCCI—BILL PASSED OVER

The bill (S. 1324) for the relief of Dr. Nicola M. Melucci was announced as next in order.

Mr. LONG. Mr. President, are the reports on the remaining bills on the calendar on our desks? I do not find the reports on my desk.

The PRESIDING OFFICER. The Chair understands that the bills appearing on the calendar at this point were reported only yesterday, and the reports on them are not available.

Mr. MAYBANK. Mr. President, will the Senator from Louisiana yield to me? Mr. LONG. I yield.

Mr. MAYBANK. I ask unanimous consent that I may return at this time to the Appropriations Committee, where we are writing up the supplemental appropriation bill. In case an explanation is requested for any other measure which has been reported from my committee, I ask that I be called from the Appropriations Committee. Meantime, I ask unanimous consent that I may be excused to return there.

The PRESIDING OFFICER. Without objection, it is so ordered. Any bills pertaining to the Banking and Currency Committee will, if an explanation is requested, be placed at the foot of the calendar, and the chairman of the committee will be notified.

Mr. MAYBANK. I thank the Chair.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Louisiana yield to me? Mr. LONG. I yield.

Mr. SCHOEPPPEL. I may say to the Senator from Louisiana that the Members on the minority side who are serving on the minority committee in connection with the call of the calendar today, have had before them the advance sheets and the reports on these bills. I understand that on some of these measures the reports have been obtainable only since yesterday evening. I think that explanation should be made.

However, I know that some Members of the Senate have not had access to the reports, by reason of the fact that these measures were placed on the calendar so late.

Mr. LONG. I am one of those Members. Therefore I must ask for an explanation of the bill which has been reached at this point, Mr. President.

The PRESIDING OFFICER. The Chair wishes to state that all bills following Calendar 1331, House bill 5893, and beginning with Calendar 1332, Sen-







Public Law 325 - 82d Congress  
Chapter 218 - 2d Session  
H. R. 5893

AN ACT

All 66 Stat 64.

To make additional funds available to the Administrator of Veterans' Affairs for direct home and farmhouse loans to eligible veterans, under title III of the Servicemen's Readjustment Act of 1944, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 513 of the Servicemen's Readjustment Act of 1944 is amended by adding the following subsection (d):

"(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until June 30, 1953, such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title."

Approved April 18, 1952.

Servicemen's  
Readjustment  
Act of 1944,  
amendment.  
64 Stat. 76.  
38 U.S.C.  
§ 694m.

